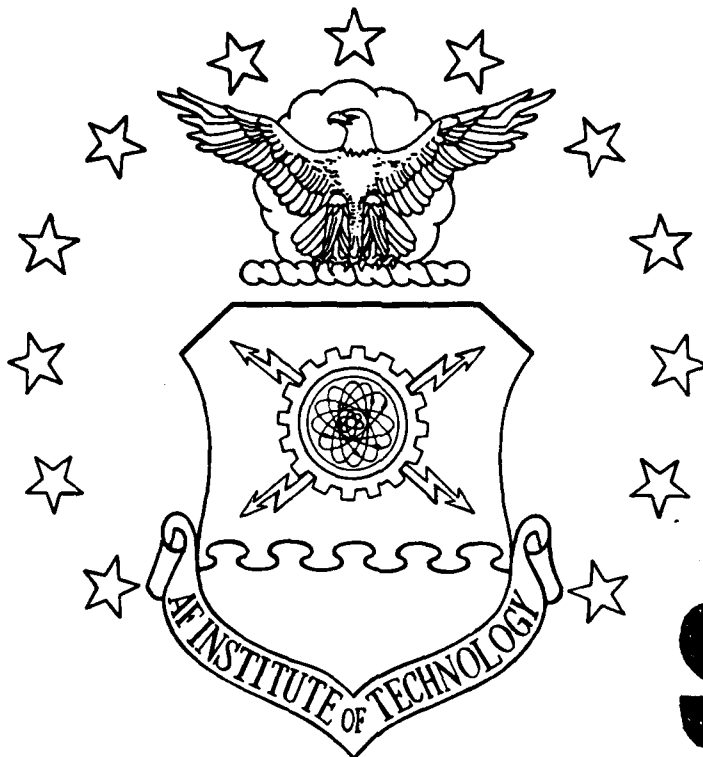


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DETERMINATION OF BASELINE DEFINITIONS
FOR CONTRACTING WORDS AND PHRASES

THESIS

John E. Cannaday
Captain USAF

AFIT/GCM/LSQ/89S-2

DEPARTMENT OF THE AIR FORCE
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AFIT/GCM/LSQ/89S-2

DETERMINATION OF BASELINE
DEFINITIONS FOR CONTRACTING WORDS AND PHRASES

THESIS

Presented to the Faculty of the School of Systems and Logistics
of the Air Force Institute of Technology

Air University

In Partial Fulfillment of the

Requirements for the Degree of

Master of Science in Contracting And Manufacturing Management

John E. Cannaday, B.S.

Captain, USAF

September 1989

Approved for public release; distribution unlimited

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Table of Contents

	Page
Acknowledgements	ii
List of Figures	v
List of Tables	vi
Abstract	vii
I. Introduction and Objective	1
Introduction	1
Problem Statement	3
Research Objectives	8
Scope of the Research	8
Overview	9
II. Literature Review	12
History of the Contracting Field	12
Description and Purpose of a Definition	19
Utility of a Dictionary	25
Conclusion	27
III. Methodology	30
Introduction	30
Survey Group	31
Research Instrument	33
Data Analysis	38
IV. Survey Analysis	39
Introduction	39
Analysis of Definitions	40
General Comments	85
Summary	86
V. Conclusions and Recommendations	87
Conclusions	87
Recommendations	91
Summary	93
Appendix A: List of Candidate Terms	95
Appendix B: Contracting Terminology Questionnaire	99
Appendix C: Published Definitions of Terminology	114

	Page
Appendix D: List of Final Synthesized Definitions. . . .	136
Bibliography	140
Vita	144

List of Figures

Figure	Page
1. Descriptive Statistics	37
2. Educational Background	38

List of Tables

Table		Page
I.	Types of Definitions	21
II.	NCMA Professional Proficiency Requirements.	33
III.	Methodology Procedure	35

Abstract

The purpose of this study was to explore the need for a professional dictionary of contracting terminology and to arrive at consensus definitions for 25 selected terms. This was a follow-on effort to an earlier thesis which was conducted at the Naval Postgraduate School in which 28 terms were defined through a literature review and survey procedure. This research effort had two major objectives: (1) Explore the history of the contracting field and how its unique language has evolved. (2) Select 25 terms and precisely relate their meanings within the context of the acquisition field and process.

This study found that the history of contracting shows a steady evolution of increased convolution. It was found that the legislative actions passed by Congress through the years provide an audit trail of a large portion of the vernacular associated with the field. This review reveals a discipline whose scope and complexity has steadily increased. Within this expansion, a contracting "language" has emerged which has, thus far, been defined by ambiguities and incongruities brought about by the continuing expansion and dynamics of the acquisition field.

One way in which to alleviate confusion and misunderstanding is to succinctly define the terms associated with a field and provide a baseline from which

individuals can communicate. Twenty-five terms were selected for definition by combining the process of reviewing definitions currently provided in other glossaries and indices with a survey procedure for synthesizing these definitions into precise meanings based on comments furnished by a sample of experts.

Definitions to the terms selected were developed and recommended for inclusion in any future dictionary of contracting terminology. In addition, several recommendations were made for providing the most comprehensive document available for future use by the contracting work force.

DETERMINATION OF BASELINE DEFINITIONS FOR CONTRACTING WORDS AND PHRASES

I. Introduction and Objective

Introduction

Dictionaries address an assortment of languages, activities, and professions. These documents assemble common terminology associated with a particular subject. Examples include dictionaries covering Behavioral Sciences, Economics, Business & Management, Computers, Automatic Control & Data Processing, Military & Naval Operations, Scientific & Technical Areas, and many other fields which claim to be professions. Because of the specialized nature of the activities listed above, practitioner's within these areas of knowledge felt it imperative to document the unique language associated with their field.

Compilers of professional dictionaries seek to provide improved communication within a discipline, facilitating growth and change while avoiding wasted time and effort in misunderstanding. In his preface to a Dictionary of Military Terms, Trevor N. Dupuy, a former staff planner in the Pentagon, reflects on his motivation for writing his text:

I am keenly aware of the very real need of universities and faculty and students for an authoritative military lexicon...I have experienced the equally urgent requirement for a comprehensive, universally accepted and respected military dictionary. (20:v)

Mr. Dupuy's experiences in military planning led him to determine that the vernacular of national defense had reached a level of complexity such that it required a dictionary to prevent confusion and misinterpretation.

The history of Government acquisition shows a steady evolution of its own vocabulary based on technological, policy and political developments. As a by-product of this evolution a corresponding increase in the complexity of the contracting process has taken place. This is exhibited by the procurement dollars spent each year which total over \$170 billion and the number of contracting actions necessary for these dollars to be obligated; "56,000 each working day" (41:18).

As a result of the intricacy of the contracting process, many have called for the formal designation of contracting as a profession, within the federal Government, rather than an administrative job series. For this to take place, research has shown that the vocabulary used in the acquisition field must be purged of existing ambiguities and improper explications before a professional status can be attained (41:50). Studies conducted, relative to the contracting field, have found that confusion exists on the proper use of terminology and that clarification will enhance the efficiency of contracting personnel in carrying out their assigned tasks (36:3).

In evaluating the growth of a discipline or profession to the point where its complexity drives the need for a thorough examination of its terminology, it is necessary to review its history. A historical view of contracting reveals the development of a multi-faceted field which has been accompanied by a corresponding maturation in the sophistication of its unique language. From the initial legislative actions of 1809 requiring "open purchases or advertising" through subsequent legislation exercising the government's right to expend public funds, the contracting process has evolved (6:70) (9:4). The dramatic expansion of the contracting profession, makes a consolidated elucidation of terminology imperative in order to establish a grammatical perspective and to facilitate efficiency within the field.

Problem Statement

As the discipline of contracting has developed, it has taken on the attributes of a profession. These attributes largely relate to the educational and training requirements necessary to perform the various tasks associated with a particular position or occupation. Lieutenant Commander Connie L. Thornton in her thesis entitled "Contracting: A Systematic Body of Knowledge" recognizes the professional evolution of the contracting discipline and sets out to contrast the acquisition field to the Office of Personnel

Management's definition of a "professional occupation."

This definition reads as follows:

... The work of professional positions is creative, analytical, evaluative, or interpretive, and is characterized by personal responsibility to keep abreast of and exercise judgement and broad perspective in the application of an organized body of knowledge that is constantly studied to make discoveries and interpretations or to improve the data, materials and methods ...(31)

Relative to this description, Commander Thornton states that a body of knowledge must contain a "central theme" which includes the development and utilization of a common language. Thornton makes the point that the current language of contracting is filled with ambiguities brought about by the failure of the defense department and industry to come to an agreement on what particular words and phrases mean (41:48). It is from such premises that the need for a dictionary of acquisition terms arises.

In his thesis entitled "A Dictionary of Acquisition and Contracting Terms", Daniel F. Ryan, Lieutenant Commander, USN, identified a need for a comprehensive lexicon of contracting terms and endeavored to develop and carry out a methodology from which to derive baseline definitions. Commander Ryan explained that the need for baseline definitions is urgent in contracting, a profession with communication at its core. He also maintains that "communication is impossible without an agreed upon baseline of term meanings" (36:24). Commander Ryan conducted extensive research into the quantity and nature of sources

available which define contracting terminology and found no "authoritative source of contracting word/term definitions" exists today despite the evidence which shows a need for such a document. Telephone interviews with sources involved in the acquisition field, including a Federal Acquisition Regulation (FAR) dictionary service and several institutions which offer training courses in Federal contracting, determined that no definitive reference document was available from which one could garner information on the contracting process and its terminology (36:24). Lacking such a definitive guide to contracting terminology, participants in the acquisition process face terms with meanings which differ and shift subtly even in official government directives. For example recent legislation passed by Congress addressed the issue of defining "Cost or Pricing Data." The Federal Acquisition Regulation defines it in the following manner:

All facts as of the time of price agreement that prudent buyers and sellers would reasonably expect to affect price negotiations significantly. Cost or pricing data are factual, not judgmental, and are therefore verifiable. While they do not indicate the accuracy of the prospective contractor's judgment about estimated future costs or projections, they do include the data forming the basis for that judgment. ...(46)

Congress felt it necessary to redefine "cost or pricing data" as part of the text included in a 1986 statute entitled the Truth in Negotiations Act. Within this version, Congress has revised the wording to give the definition greater flexibility in being applied. An example

of this is in Congress' use of the word "information" versus the term "facts". "Information" is a general term which can be applied over a wider range of circumstances. The version used by Congress took the following form:

All information that is verifiable and that, as of the date of agreement on the price of a contract (or the price of a contract modification), a prudent buyer or seller would reasonably expect to affect price negotiations significantly. Such term does not include information that is judgmental, but does include the factual information from which a judgment is derived.
(46)

Subsequent to this definition, Congress again revised its definition to encompass a meaning closer to that of the FAR. The crux of the issue centers on what must be included within the realm of "cost or pricing data". As depicted in Congress' last revision to the definition, the use of the word "information" must have been determined to be too general a description and too much in conflict with regulations in place.

All facts that, as of the date of agreement on the price of a contract (or the price of a contract modification), a prudent buyer or seller would reasonably expect to affect price negotiations significantly, Such term does not include information that is judgmental, but does include the factual information from which a judgment was derived. (46)

The preceding definition juggling provides an example of the problem which confronts the field of acquisition. Lack of a terminology baseline inhibits the degree of understanding and compromises the consistency of term meanings. In the case above, the writers of the Federal Acquisition Regulation have defined "cost or pricing data" within the

context of the regulations being written; however, subsequent Congressional statutes have revised and edited the FAR's definition rather than adhering to what has already been provided in Public Law.

Another example illustrates the variations in meaning which can occur within three separate publications. The following definitions cover the meanings attributable to "design specification":

(1) A SPECIFICATION SETTING FORTH THE REQUIRED CHARACTERISTICS TO BE CONSIDERED FOR AWARD OF CONTRACT AND INCLUDING SUFFICIENT DETAIL TO SHOW HOW THE PRODUCT IS TO BE MANUFACTURED. (27:10)

(2) DOCUMENTS THAT CONTROL THE DESIGN, CONSTRUCTION, AND DEMONSTRATIONS OF NAVAL AIRCRAFT, WEAPON SYSTEMS, AND THEIR COMPONENTS. (1:220)

(3) A DOCUMENT PRESCRIBING CRITERIA TO BE SATISFIED IN DESIGNING A PARTICULAR COMPONENT, PART, SUBSYSTEM, OR SYSTEM; TYPICAL CRITERIA INCLUDE PERFORMANCE REQUIREMENTS UNDER SPECIFIED ENVIRONMENTS, SIZE, WEIGHT, RUGGEDNESS ETC. (29:50)

Each of the above provides a noticeable difference in the definition and subsequent application of the phrase "design specification".

The preceding illustrations indicate a lack of consistently defined terminology within a field in which precision and understanding are crucial. Contracting, as an aspiring profession, should seek to provide its own baseline through thorough research on the state of the "language" and term meanings as they are used in the work place. As stated by Linstone in his discussion of the use of the Delphi Method for soliciting professional opinion, "any human

endeavor which seeks recognition as a professional or scientific activity must clearly define the axioms upon which it exists" (28:21). The lack of a definitive foundation of documented terminology meanings restricts the acquisition professional or student in his or her search for guidance and information.

Research Objectives

The primary objective of this thesis is to derive baseline definitions for 25 terms common to the contracting discipline. Based on the history of the acquisition field, the recognized importance of drawing clear and distinct term meanings, and the need for a comprehensive and universally accepted lexicon, a clear justification can be made for the arduous process of developing a contracting dictionary. The following research objectives will be addressed in subsequent chapters:

- a. Explore the history of the contracting field and how its unique language has evolved.
- b. Given the 25 terms selected, precisely relate their meanings within the context of the acquisition field and process.

Scope of the Research

Within the scope of the research topic, this thesis progresses from an exploration of the history of the acquisition field to a discussion of the methods used to define terminology within procurement and finally, to a

determination of standard definitions for 25 selected expressions.

The meaning of each expression was developed by investigating current definitions found in published documents containing glossaries or indices and then synthesizing the information into baseline definitions. In addition, experts within the field were surveyed to gather first hand knowledge of usages and perceived connotations of the terminology.

Research was limited to the knowledge of the individuals selected to review the generated definitions. Care was taken to select a group encompassing a broad base of contracting knowledge. The selection process and criteria for those to be surveyed is discussed at greater length in Chapter 3.

Sources for articles and other material reviewed in the literature review and analysis portions of this thesis include journals published for use by contracting professionals in the military industrial complex. Professional journals and dictionaries constituted additional sources of information.

Overview

This thesis will expand on the basis for the requirement for a lexicon of terminology and provide the foundation for the analysis conducted. Specifically, this study invokes previous research regarding the void in lexicography in

contracting and expands the discussion to focus on the importance, usefulness, and development of a dictionary of terminology. The previous chapter was designed to summarize the current state of literature relative to defining terminology within the acquisition field. Additionally, the problem statement addressed areas of concern and gave examples of general deficiency in the clarification of contracting nomenclature. Research objectives were outlined and included exploring the history of the contracting process and synthesizing definitions for 25 selected terms. Chapter II will address the history of contracting as well as a general review of what the purpose of definitions are as they relate to professional dictionaries. The chronicle of the acquisition process will emphasize the development of the language of contracting. Prefaces to previously developed dictionaries will be reviewed to explore the underlying purposes and advantages of an exclusive lexicon of terminology. Chapter III addresses the methodology utilized for this study. Specifics regarding the survey procedure used and the steps taken to implement the procedure will be detailed. Included will be a description of the sample population surveyed, accompanied by a brief analysis of the years of experience and educational background of the respondents. Chapter IV will scrutinize each synthesized definition, giving a brief account of how each definition evolved to its final narrative. Terms will

be examined and defined using a literature review and survey procedure as a method to foster a greater understanding of each phrase as an additional entry for a dictionary of acquisition terminology. Finally, Chapter V will conclude with recommendations for further research based on the analysis and findings discussed in Chapter IV.

It should be noted that throughout this thesis "government" and "Department of Defense (DOD)" will be used interchangeably. Likewise, the use of the terms "contracting", "procurement" and "acquisition" will also be assumed to be synonymous within the context of this document.

II. LITERATURE REVIEW

History of the Contracting Field

The history of the contracting discipline reveals the steady maturation of this vocation from the Constitution, with its implied Governmental power to contract for goods and services, to the complicated and extensively regulated acquisition of multi-billion dollar weapon systems today. The development process itself is best summed up by William W. Thybony from his text on the Federal Acquisition Regulation:

The basic principles of federal acquisition have evolved and matured over the years through a maze of varied legislative and administrative efforts to develop a system to provide safeguards against graft, favoritism, questionable ethics, war profiteering, collusion, fraud and inefficiency. (42:11)

A large portion of key phrases and terminology used in the field today have originated in the legislative Acts passed by Congress. This section will review some of the legislative actions which have molded the contracting field and its terminology as each progressed in complexity. Each term will be enclosed in quotations for ease of identification.

As stated in Chapter I, Congress passed the first laws requiring "open purchases or advertising" in 1809. In 1861, Congress required "formal advertising" for all acquisitions except cases of "public exigency" (6:70). Specifically, the Civil Sundry Appropriations Act required "competitive

bidding" and "advertising" of military requirements. Nine exceptions to formal advertising in addition to public exigency were distinguished within this act (9:8). These statutes carried government procurement through the 19th Century and into the 1920s.

The Air Corps Act of 1926 introduced "design competition and performance criteria" as bases for award of a contract, in contrast to cost criteria which, previous to this Act, had been used exclusively. This new development and the terminology it introduced came as a result of Congress' recognition of the need to acquire "research & development" expertise and to maintain a strong Defense Industrial Base (9:10). Congress enacted noteworthy legislation during the 1920s and 1930s which continues to affect the contracting field today. The Davis-Bacon, Buy American, and Walsh-Healey Acts emphasized the socio-economic aspect of procurement and provided the impetus for many programs which would follow (9:32).

Government procurement entered the financing arena in 1940 when Congress enacted the Speed Up Act authorizing "advance payments", under certain conditions, of up to 30% of the contract price (10:10). Profit likewise became an issue in 1940 when Treasury Directive 5000 was discharged to reduce exorbitant profits. More notable was its coverage of the issue of "allowability, allocability and reasonableness" of costs, a phrase which became a buzz word in the

acquisition field. This directive was informally called the "Green Book" and became the predecessor for such future regulatory guidance as the Armed Services Procurement Regulation, the Federal Procurement Regulation and the Federal Acquisition Regulation (10:10).

The following year, wartime procedures were addressed in the War Powers Act of 1941. Included within this piece of legislation was a provision for the use of "single source" procurement procedures as a necessary method given the constraints under which the armed forces were forced to conduct business during this era. The following states its purpose.

Authorized the President to allow any department or any agency engaged in war effort to enter into contracts or to amend existing contracts without regard to public advertising, competitive bids...or making of advance or progress payments, irrespective of existing law or contract provisions. (10:11)

Prior to World War II, the War Policies Commission recommended that "negotiated procurement" replace formal advertising procedures during wartime. Given the War Powers Act, this blanket change in policy was unnecessary. However, negotiated procurement provisions were implemented after World War II, when the War Powers Act was ineffectual, as Congress recognized the need for flexibility in procurement, both in peacetime and wartime, due to the technological expansion taking place in the military weapons industry. This perceived need brought about the Armed Services Procurement Act of 1947; reaffirming the

legislative branch's stress on formal advertising, but also allowing negotiated procurement if justified within the constraints of 17 exceptions outlined in the Act (6:70). The seventeen exceptions included words and phrases which became standard contracting jargon. In addition, detailed procurement guidance was outlined in this Act allowing the Air Force, Army and Navy to each implement their own regulations within specified guidelines (11:9). In 1949, the General Services Administration was created and this organization developed its own regulatory document called the Federal Procurement Regulations. In addition, 1949 saw the passing of the National Security Act which created the Department of Defense and resulted in the publishing of the Armed Services Procurement Regulation. To date, this was "the most comprehensive and detailed procurement regulation ever written" (11:11). The most unique aspect of this document was that it provided for the need to justify "sole-source procurements". Those wishing to pursue a single source for Government requirements were required to submit a justification for approval by a specified authority depending on the dollar value of the acquisition. This procedure was instituted as a method to orient the acquisition work force toward competitive procurements (11:11).

It was during the 1950s and 1960s that the Government became concerned over the nation's ability to respond to

modern day military needs and the continuing technological revolution. As a result, new terms such as "readiness" and "industrial mobilization base" evolved to describe these concerns. Small business programs such as "set-asides" and "labor surplus area programs" were gaining momentum as socio-economic programs instituted to encourage development of the industrial base as well as the economic future of the nation (12:5).

An important amendment to the Armed Services Act was passed in 1962 requiring Contracting Officers, in negotiated procurements, to conduct oral or written discussions with all firms within a "competitive range" (13:6) (44:619). In addition, a clause providing for price reductions in the event of "defective pricing" and full disclosure of all "current, complete, and accurate" cost and pricing data was to be included in contracts which exceeded \$100,000 (13:6) (44:620).

The 1970s brought a decade of reform to the contracting field which would carry into the 1980s. While formal advertising was still the rule of law, negotiated procurement and, in particular, sole-source awards and the unique terminology associated with such became standard within the defense industry. Recognizing the complexities resulting from the technological boom of the post World War II era, a committee on Government procurement recommended 149 improvements (14:8). These recommendations would guide

procurement legislation for the next two decades and coin much new terminology. Among the recommendations was a call for an "independent centralized office for Government procurement policy matters, and a single uniform procurement system for all government agencies" (14:8). DOD Directive 5000.35 was established in 1978 to answer calls for a single regulation for all federal procurement. Notwithstanding this directive, the Defense Department felt it necessary to maintain its own autonomous regulations. As a result, the Defense Acquisition Regulation (DAR) emerged. Continual questions and concerns about the development of a uniform procurement system eventually brought about the Federal Acquisition Regulation (FAR), but not until the early 1980s (14:9). The complete FAR was issued effective 1 April 1984 (15:8). The FAR included almost all previously common terminology used in the DAR and introduced or refined several new expressions.

By the 1970's, the DOD was awarding two-thirds of its contracts on a noncompetitive basis (6:70). Congress was concerned by this trend and undertook an investigation to discover the reasons behind the prevalence of noncompetitive "contract awards". In the following quote, John Callahan summarizes the causes of the breakdown of the competitive process:

...insufficient time and effort committed to maintaining competitive sources of supplies, lack of advanced planning, a general dependence on incumbent sources, an inability of requirements organizations to clearly define mission requirements and an

exaggeration of short-term expediencies to get the product or service on contract as soon as possible. (6:70)

This investigation along with a general air of reform led to the passage of the Competition in Contracting Act of 1984 (15:116). It sought to promote "full and open competition" wherever possible so that a maximum number of bidders could qualify for competitive award of government acquisitions and it fixed the nomenclature of the market securely within contracting terminology. (6:71) The Competition in Contracting Act was designed to mold the government acquisition process into conformity with the free market, which has been perceived by Congress as the ideal model for the DOD system of weapon procurement. The DOD procurement system has operated under the purview of this Act since its passage on 18 July 1984.

The previous historical examination of procurement legislation summarizes the process through which the contracting profession has evolved. In conjunction with this evolution, a contracting language has emerged which facilitates acquisition participants' most important task - communication. Although there are between 25,000 and 30,000 prime contractors who deal with the Pentagon in a field which has become increasingly specialized and complex, there still exists no standardized and comprehensive reference document which can be used to expedite daily interaction between participants (33:452). Given the dynamic

history of the contracting discipline, any such dictionary must reflect this history and capture future changes within a continuously expanded and revised language.

Description and Purpose of a Definition

As defined in the Random House College Dictionary, a definition is the following:

the formal statement of the meaning or significance of a word, phrase, etc. (38:349)

This section will examine the purpose of and review the proper organization of a definition and outline the relevant concerns of a lexicographer in defining terminology efficiently and effectively.

The basic purpose of defining is to aid in the comprehension of the term or phrases in question. The usefulness of language to the reader depends on his or her understanding its meaning and appropriate usage. As Anne Tench describes in her report dealing with communication techniques, definitions "provide concise, but exact, meanings for unfamiliar words and explain special meanings for familiar words" (40:43).

It is important to characterize each term or phrase within the context of its utilization, i.e. a process, object or concept (40:43). Anne Tench describes the general form that a definition should take:

Word + Class + Difference:

Word - the name of the object, process or concept defined.

Class - the general group to which the object, process or concept belongs.

Difference - the distinctive feature that separates the object process or concept from other members of its class. (40:43)

A simplistic example of the above would be defining a "chair" (word) as a piece of furniture (class) which has four legs, a seat and a back and is used by a person for sitting (difference) (40:43). This formation of the definition allows the reader to recognize the context in which their term is being utilized and to differentiate between the specifics of his or her intended utilization of the term. Any definition which conveys an appropriate meaning to its reader should address its distinctiveness relative to its class.

There are several types of definitions; they are the synonym, extended, stipulation, classification, example and formal definitions. Each of these methods can be used in its proper setting; however, the formal definition presents a much more descriptive view of the term and is therefore, the preferred method for dictionaries. Table I on the following page shows a description of each type of definition listed above.

Table I
Types of Definitions

Synonym: Attempts to correlate a particular word or phrase with other words or phrases which have the same meaning.

Extended: Expanded form of a one sentence definition.

Stipulative: Usually introduced by the phrase "What I mean by ..." and is a metaphorical way of describing a specific term.

Classification: Breaks the word or phrase out into a distinct group.

Example: Entails "giving concrete instances of abstraction."

Formal: Identifying the term with a particular genus and then distinguishing it from other items in that genus in some manner.
(8:30-31)

Regardless of the type of definition utilized, there are guidelines or rules to aid in the development of a proper definition.

The rules applied to synthesizing definitions are used to establish consistency and to accomplish the primary objective of conveying meaning. First, for purposes of ease in understanding, definitions must be less technically oriented than the term or phrase being defined. Also, definitions must be attributable to a class, aiding the reader in applying the correct context for his or her purposes. Finally, for obvious reasons, the definition

should not include the word which is being defined (40:44).

The denotive (formal) definition, the primary type of definition used in specialty or professional dictionaries, is distinguished by its orientation toward exhibiting the particular context and/or usage of a term (25:77). The concept of context is an important issue addressed in the writing of definitions and dictionaries. As stated by T. J. Kallson and D.J. McCoy in their book Rhetoric and Reading:

Order and Idea:

...definitions generally occur in some context and are written for some purpose. All good definitions give the context to which a definition applies by supplying usage labels. (25:77)

It is important to realize that dictionaries, glossaries or any other documents which delineate terminology present term meanings outside of the "body of related material" (22:w-39). This realization reinforces the importance of making a definition as complete and accurate as possible so that it can be understood within the context of the varying types of material in which it might be found.

Evelyn Gray in her report entitled "Building a Technical Glossary", points out the importance of proper grammar usage (especially subject - verb agreement) in defining a term to avoid difficulty a reader might encounter in relating the term to a particular context. In addition, Gray discusses the importance of simplistic word choice and placement (22:w-39). For reasons already alluded to, the reader or student of an unfamiliar subject area can only grasp the

intended meaning if it is communicated using terminology with which he or she is familiar. Misinterpretation and confusion often result when phrases with ambiguous meanings are used. Sentence structures containing words such as "either", "both", "each" and "only" can lead to vague definitions (22:w-39). Complexity, however, is a relative term. Jerry M. Rosenberg in the preface to his Dictionary of Business & Management draws a distinction between definitions for the layman and the specialist.

All terms are presented in the language of those who use them. Obviously, the complexity needed for a definition will vary with the user; one person's complexity is another's precise and parsimonious statement. Several meanings are sometimes given - relatively simple for the layman, more developed and technical for the specialist. (35:x)

The balance between simplicity and complexity in definitions is an area which must be considered carefully by any person who is compiling terms for publication.

Definition length is another area which is of concern to the writer. Whether a definition should be short and to the point or lengthy and detailed should be a function of the intended audiences' knowledge of the subject matter. Some authors feel that short definitions are more beneficial, because most readers are more interested in "basic" definitions than exhaustive explanations (16:42). Others feel that an obscure concept is best explained in great detail in order to convey the proper meaning to the reader (5:132).

The Air Force has confined its views on defining terminology to the need for clarity in extolling ideas related to a particular subject area. The Communication Techniques manual on "Speaking Effectively" states the following:

Definitions are often needed to clarify or explain the meaning of a term, concept, or principle. But like so many words, definition can mean different things and function in different ways.

...With increasing specialization in the Air Force in both theoretical and applied subjects, the development of new words or terms races ahead of dictionaries. Words such as pneudralics (military aircraft brakes) taxonomy (scientific classification), detente (military strategy) or groupthink (a problem of groups) might require literal definitions or restatement in simpler language. ... Some words simply have different meanings for different people. (17:11)

The Air Force recognizes the expanding vocabulary of its own vocation and, with it, the importance of clarity when communicating an idea or concept to an individual or group. The above quote addresses the role which "specialization" plays in the expansion of the vocabulary of certain career fields and specialty areas; stating that it is difficult for dictionaries to keep up with the dynamic nature of vocabulary evolution. While the passage above addresses Air Force and/or military specific terminology, it is logical to assume that any position, regarding definitions, taken by the Air Force in its Professional Military Education literature could also apply to the nomenclature of contracting and other professions. Specific to this research, contracting definitions must relate to the

acquisition system and present an explanation of each term's or phrase's meaning and use.

In this section the character and function of a "definition" were examined along with the structures and types of definitions which can be used. Finally, areas of concern in lexicon development were discussed and the Air Force's position on defining terminology was reviewed.

Utility of a Dictionary

The following section seeks to substantiate the value of a dictionary as a vocational tool.

As described in Collier's Encyclopedia, a dictionary is characterized as the following:

A compilation of the words of a language, alphabetically arranged, with an explanation of their meaning and use. When used with a qualifying term, the compilation of words may relate to a particular system or department of knowledge, as a dictionary of law. (7:193)

Collier's Encyclopedia goes on to state that lexicography is both a science and an art. It is a science insofar as it entails listing and explaining words with preciseness and coherence; an art in its ability to serve the fundamental needs of the reader within the context of the subject area (7:193). William Damerst, in his paper on the essentials of writing a clear technical report, illustrates the importance of professional context in term definitions. In the example given, 54 students of engineering and science were asked to define "nuclear" without using a dictionary. Of the 54,

only seven stated the general dictionary meaning which is "of the center or core". Most students associated it with its atomic connotation (16:18). Obviously, a generalized dictionary would be of little use in facilitating communication of a technical nature between physicists, fashion designers, or contractors. For such a purpose, a specialized and widely accepted lexicon is necessary.

In evaluating the most urgent reasons for development of a dictionary, prefaces to current professional dictionaries were found to contain relevant information. Several themes emerged in the lexicons reviewed. First, the dictionary was seen as the best means to provide an easy access reference tool for those attempting to deal with a large body of knowledge. Also, it was seen as a means to distinguish the uniqueness of one vocation's terminology from that of another. Ivan S. Bank comments in the following justification for his Dictionary of Administration and Management:

Since there is no current, up-to-date professional office reference/research tool available that would provide a unified, direct, and therefore, immediate access to organizational leadership, administration, management, supervision and training terms, concepts, methods and techniques, it was felt that a new comprehensive ready-reference document could serve as a time-saving bridge between the terminology of other supportive, or applicable, science, fields and disciplines. (2:1)

A lexicon was also seen as a resource for those not familiar with the "language" of the subject area in question. Again, Mr Bank addresses this by explaining that professional

dictionaries enable those just beginning in a discipline to grasp its unique language and aid in newcomers' ability to communicate and progress to a desired level of competency. This concept is reiterated in the preface to a compendium of logistics terms written by members of the Air Force Institute of Technology:

...just as a dictionary opens the way to both the formal learning and to the daily self instruction that modern living requires, so is a source of ready access to officially authenticated terms, definitions and acronyms needed for the beginners as well as the professional in Systems & Logistics. (1:1)

Finally, the most important intuitive function of a dictionary is its ability to aid the user in communication and understanding. As stated by David Rockefeller in the preface to a Dictionary of Banking and Finance, industry representatives must to be able to express themselves clearly and must be able to decipher what is being stated to them (34:vii). While a person cannot carry a dictionary around and delve into it like a tourist in a foreign country each time an unfamiliar word or phrase surfaces, he or she can use it as a reference source for future interactions.

Conclusion

The history of Government procurement exhibits a legislated lingo which has continued to grow and expand just as the budget and complexity of the US government has ballooned through the years. It was inevitable, as it is with all professions or prospective professions, that the

language of contracting would eventually reach the level where a comprehensive compendium of terms would be vital.

Currently available literature regarding the meanings of words and phrases unique to the acquisition field reveals the general lack of a comprehensive lexicon of procurement terminology. A general survey of contracting literature was conducted to gather published meanings of terms being defined in this thesis. Periodicals, Department of Defense Regulations, Professional Military Education texts and other documents were reviewed to determine what definitions were being used. While definitions were found for each of these terms, they were scattered over a dozen publications. Not one document contained an all-inclusive listing of the 25 terms being researched. Furthermore, review of these definitions often revealed conflicting and differing information regarding the use and meanings of the phrases. In order to fill a need in the field of contracting, a dictionary of common acquisition terminology must be produced. Because clear, precise communication forms the basis of every successful endeavor within the acquisition discipline, the need for such a document is apparent and urgent.

The dynamic nature of contracting's past and future and the growing complexity of the field indicate that an acquisition lexicon must be sensitive to shifts in word meanings and capable of expanding.

Although there are many ways to synthesize definitions, the most useful structure for a professional dictionary is a collection of formal definitions, accessible to both laymen and specialists. In reviewing other methodologies referred to in professional dictionaries, most had incorporated a review procedure from those working in the field to assure validity and currency of the finalized definitions. A document of this structure with wide support from members of the acquisition workforce would be invaluable in increasing efficiency, training new personnel, and avoiding time and money wasted by misunderstanding. The next chapter will present the survey methodology used to arrive at the 25 baseline definitions.

III. Methodology

Introduction

As stated in Chapter I, the survey approach was used to gather information regarding the terms chosen. The terminology was taken from the list of candidate terms contained in Commander Ryan's thesis entitled "A Dictionary of Acquisition and Contracting Terms" (See Appendix A). Based on informal discussions with David V. Lamm of the Naval Postgraduate School, it was determined that the terms sen and presented below would present the most diverse and extensive discussions among those being surveyed. The following list comprises the terms chosen for research:

- | | |
|-----------------------------------|--------------------------|
| * ACQUISITION PLAN | * NON-DEVELOPMENTAL ITEM |
| * ALLOWABLE COST | * LETTER CONTRACT |
| * COST OR PRICING DATA | * REQUEST FOR PROPOSAL |
| * COMPETITIVE RANGE | * REQUEST FOR QUOTATION |
| * DESIGN SPECIFICATION | * REVERSE ENGINEERING |
| * EFFECTIVE COMPETITION | * SCOPE OF WORK |
| * FAIR & REASONABLE | * SOURCE SELECTION |
| * FIRST ARTICLE | * STATEMENT OF WORK |
| * FORWARD PRICING | * TECHNICAL ANALYSIS |
| * GOVERNMENT-FURNISHED PROPERTY | * VALUE ENGINEERING |
| * IN SCOPE | * WEIGHTED GUIDELINES |
| * MANUFACTURING RESOURCE PLANNING | * MARKET SURVEY |
| * PRUDENT BUSINESS MAN CONCEPT | |

Survey Group

Given the qualitative nature of this research, it was felt a procedure designed to solicit expert opinion, in the form of narrative comments from a group of experienced professionals in the contracting field, would best serve the objective of gaining a consensus definition for each term. The National Contract Management Association (NCMA) was the group chosen as a source of qualified participants and experts in contracting.

The NCMA seeks to enhance the profession of contracting by providing it with a support organization which provides individual members with educational and career enhancement opportunities. This 23,000 member organization is nationally recognized for its contributions to the acquisition and contracting field (36:14). The scope of this organization is best exhibited by the following quote taken from its Constitution:

...to foster professional growth and the educational advancement of members primarily, and of other individuals in the private sector (including industry and professional firms), (and) the public who are engaged in or associated with any aspect of the field of management of contracts, which, for the purpose of the Association, shall include all types of public or private funds whether by contract, subcontract, grant, assistance agreement, lease or other form. (23)

As referred to earlier, research has been conducted to determine the body of knowledge which comprises the acquisition field today. One conclusion Commander Thornton reached in her thesis to determine a definition of

contracting's body of knowledge, was that the NCMA provided the most comprehensive view of the current state of professional development within the contracting field. She based her conclusion on NCMA's education and training program and its embodiment of the full gamut of arenas within which contracting personnel operate. This is exhibited in the following quote contained in Commander Thornton's thesis:

... NCMA's body of knowledge addresses the entire scope of the contracting discipline as it relates to commercial, industrial, government, and international procurement. (41:83)

A higher tier organization within NCMA, are the NCMA Fellows. Membership within the group of Fellows is based on an evaluation of the contracting professional's acquisition, education and leadership experience. Specific areas of skill emphasized are depicted in the list contained in Table II on page 31.

Examples of categories associated with the formal Fellow Award Application are Academic Training, Work Experience in Contract Management, Teaching in the Field of Contract Management and Published Papers on Contract Management. Based on the criteria stated above, the NCMA Fellows was the group chosen to survey.

Table II

NCMA Professional Proficiency Requirements

1. Business management, particularly materials and operations management, industrial marketing, financial management and related accounting.
2. The economics of materials and operations management.
3. Cost and price analysis and negotiation techniques.
4. Legal and regulatory aspects of procurement and contracting.
5. Managerial planning, decision making, communication, and control.
6. Procurement and contracting policy and procedures.
7. Management information systems, and information and data analysis. (41:83)

Research Instrument

Each definition was initially developed using glossaries or indices from published documents related to the acquisition field. In addition, periodical literature was reviewed in some instances to determine the context in which a particular term was used. In at least two cases (terms "reverse engineering" and "in scope") definitions were derived from periodicals which contained descriptions of the phrase but not necessarily a formal definition. In these

instances, the researcher used his judgement and informal interviews with Air Force Institute of Technology (AFIT) faculty members to determine the most appropriate definition to use as a sample definition in the initial survey. After review of published sources, a survey review was conducted with 15 members of the NCMA Fellows to garner their views of the selected terms along with any comments they could provide regarding survey format. Upon completion of this initial review, a finalized survey (See Appendix B) was generated and distributed to a larger sample population of 200 NCMA Fellows to gain further information on the appropriateness of the definitions developed. The table contained on the following page reflects the steps taken to derive final synthesized definitions.

Table III

Methodology Procedure

1. Select 25 terms from candidate terms listed in Appendix A.
2. Review published literature on selected terms.
3. Develop definitions for terms based on Step 2.
4. Conduct a Pretest survey from 15 selected members of NCMA.
5. Further synthesize the review team's comments into a final survey format.
6. Select sample population of NCMA Fellows for final review of definitions.
7. Conduct final survey.
8. Review comments submitted by sample population and incorporate into final definitions.

While the initial methodology used by Commander Ryan endorsed the use of two iterations of surveys to derive a consensus, only one was actually carried out due to "resource and time constraints" (36:10). The use of one survey iteration was used in this research primarily for the same reasons. However, it was also felt that survey results from the sample population selected would achieve the objective of determining baseline terminology meanings and that the integrity of the process would not suffer unduly

based on the survey of one sample group versus two.

Because of the qualitative nature of the research being conducted, a precise method of determining a proper sample size of the 600 NCMA Fellows was not found. It was decided to replicate the sample size used by Commander Ryan in his original investigation. His sample size of 200 was originally chosen, because it represented an "administratively manageable quantity" which could be thoroughly evaluated and analyzed to provide the most comprehensive research for each survey response (36:15). The anticipated return rate was 35%. The actual return rate was 39% and, in the opinion of the researcher, constituted an adequate sample for compiling consensus definitions.

The charts exhibited below depict the general background of the survey respondents. Figure 1 reflects the distribution of years of experience for each respondent. In addition, some basic statistics such as the mean and median for the sample group are shown. Figure 2 displays a graphical representation of the education background of the survey respondents.

DESCRIPTIVE STATISTICS YEARS OF EXPERIENCE

VARIABLE		MEAN	SAMPLE SIZE	MEDIAN
YRS EXP		25.12	74	25.00
4	- 11		
	5			
11	- 18		
	14			
18	- 25		
	20			
25	- 32		
	23			
32	- 39		
	7			
39	- 46		
	4			
46	- 53	..		
	1			

Figure 1. Descriptive Statistics

The group had a mean experience level of 25 years with the lowest number of years being 7 and the highest 50. The education level was concentrated in the graduate level category with a majority of the respondents having a Master's of Business Administration as depicted in the figure below.

Educational Background of Respondents

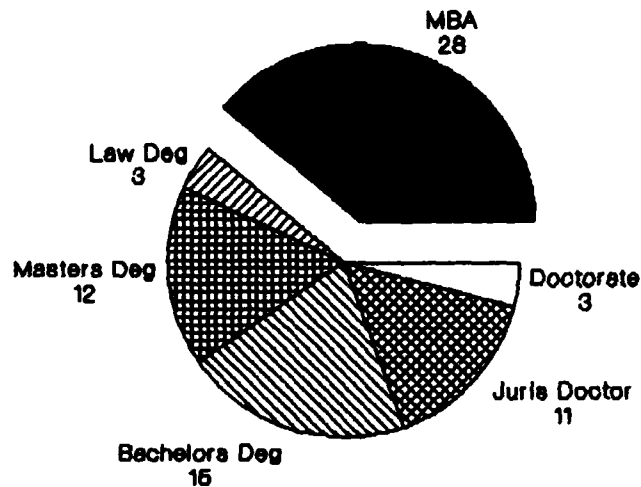


Figure 2. Educational Background

Data Analysis

Analysis of the data used is purely qualitative in nature. Statistical methods of data analysis have not been considered due to the lack of quantitative data. Based on the expert opinion of the sample group, consensus definitions may be arrived at and employed in a formal dictionary of contracting terminology. The next chapter will provide a summary of the comments received from the survey recipients along with the implications and conclusions which may be drawn from those comments.

IV. SURVEY ANALYSIS

Introduction

This chapter examines the terms chosen (See Appendix C) for review using the methodology described in Chapter III. Additional remarks provided in response to the final survey question will also be addressed. Comments provided for each term were reviewed for their capability to improve the term definition within the context necessary to convey the proper meaning. The researcher was careful to invoke changes solely on the basis of enhancing each term's precise meaning. It is important to emphasize that each individual has his or her own wording or sentence structure preferences.

Comments that dealt with an individual's partiality for a particular definition style as opposed to actual content refinement were given less consideration in the reevaluation of each term definition. Primary emphasis was placed on improving the ability of a reader to understand the term or phrase. Evaluation of respondent input was a judgmental process conducted by the researcher based on the literature review of each term. If it was felt additional input was necessary to properly arrive at a consensus definition, informal discussions with knowledgeable Air Force Institute of Technology instructors were conducted. The discussion of each term will include those comments which the researcher

felt reflected the majority opinion expressed by respondents.

Analysis of Definitions

Initially, each term with its survey definition will be presented; subsequently, sample responses indicative of the types of actual comments received will be provided. The researcher felt it worthwhile to include samples of comments received from the survey population. In some cases, the narratives of these comments may contain broken sentence structure. The researcher thought it best to leave the suggestions in their original form so as not to misrepresent the participant's meaning. A discussion of the relevant issues for each will be examined followed by the rationale for the researcher's final decision and presentation of the synthesized definition.

ACQUISITION PLAN. DOCUMENT WHICH FORMALIZES AND STATES THE OVERALL STRATEGY FOR MANAGING THE ACQUISITION OF GOODS OR SERVICES BY DOCUMENTING THE REQUIREMENT (ESTIMATES OF COST, RECOMMENDED CONTRACT TYPE, FUNDING PLAN ETC.), RECORDING PROGRAM DECISIONS, PROVIDING THE ANALYSIS OF TECHNICAL OPTIONS, PLANS FOR OBTAINING COMPETITION, PROCUREMENT TEAM/ORGANIZATION AND, IN THE CASE OF HARDWARE, LIFE CYCLE PLANNING FOR DEVELOPMENT, PROCUREMENT, PRODUCTION, TRAINING AND SUPPORT OF MATERIAL ITEMS.

SYNONYMS: PROGRAM MASTER PLAN, PROCUREMENT PLAN, ACQUISITION STRATEGY

Sample Responses. - add "including contract administration and audit manpower requirements". Look at major system acquisition definition in Office of Federal Procurement Policy.

- missing Developmental Testing & Engineering and Operational Testing & Engineering, important to any acquisition plan.
- in the context of FAR part 6 on competition requirements the plan also includes past and future research activity.
- in the parenthetical following "... documenting the requirement", recommend inserting "performance/mission objectives and characteristics".

Issues. Most comments regarding this phrase focused on the content of an acquisition plan. Approximately 62% of the survey respondents agreed with the general definition of the plan as a method to define a requirement and the strategic outline contained within it. However, depending on the area in which an individual worked (i.e. operational contracting versus systems contracting) the participants would suggest adding their own unique entries to the listing. For example, one respondent stated the definition left out plans for development and operational testing and engineering. A subject area such as this would be addressed primarily in a large weapons systems contract. The listing of content within the acquisition plan was included as an example of areas which might be addressed in a plan and should not be interpreted as an all-inclusive listing.

Final Synthesized Definition. The final definition narrative reflected changes made as a result of the comments received. Consideration was given to deleting the items

entirely, because of the inability to cover all possible areas. However, it was thought that the list enhanced the understanding of the term. Only one minor administrative change was made to the definition to increase its readability.

DOCUMENT WHICH FORMALIZES AND STATES THE OVERALL STRATEGY FOR MANAGING THE ACQUISITION OF SPECIFIC ITEMS OR SERVICES BY DOCUMENTING THE REQUIREMENT (ESTIMATES OF COST, RECOMMENDED CONTRACT TYPE, FUNDING PLAN ETC.), RECORDING PROGRAM DECISIONS, PROVIDING ANALYSIS OF TECHNICAL OPTIONS, PLANS FOR OBTAINING COMPETITION, PROCUREMENT TEAM/ORGANIZATION AND, IN THE CASE OF HARDWARE, LIFE CYCLE PLANNING FOR DEVELOPMENT, PROCUREMENT, PRODUCTION, TRAINING AND SUPPORT OF MATERIAL ITEMS.

ALLOWABLE COST. A COST, EITHER DIRECT OR INDIRECT, WHICH, IF IN AGREEMENT WITH PUBLISHED COST PRINCIPLES, MAY BE ALLOCATED AND DEEMED REIMBURSABLE UNDER A GOVERNMENT COST-REIMBURSABLE CONTRACT.

ANTONYM: UNALLOWABLE COST

Sample Responses. - The concept of allowable cost should not be restricted to cost-reimbursable contracts, i.e., they do come into play on Firm Fixed Price contracts...

- Reference to cost contract is too limiting.
- did you intend to ignore proposed costs for negotiated procurements? the term "allowable costs" is often used in negotiations for Fixed Price (FP) as well as Cost Reimbursable (CR) contracts.
- delete last sentence. direct & indirect costs are also reimbursable under fixed price & other Non-CR contracts.

Many overhead costs are ultimately excluded even under fixed price contracts.

- cross out "allocated and deemed". put "providing it is also allocable" at the end and stated "it is allocable to the contract providing it is necessary to expend the cost in order to perform the work required by the contractor's disclosure statement requires allocation of an indirect cost to the contract."

- at the end of the sentence, change the period to a comma, and add the following, "to the extent that such allowable costs are reasonable in amount."

- ... Also allocability & reasonableness should be addressed.

Issues. The primary area of concern with the definition contained in the survey was the use of cost-reimbursable as a necessary prerequisite for consideration of a cost as allowable. Comments centered on the necessity to expand the definition to encompass fixed pricing arrangements as well as cost reimbursable. It was widely held that a limitation as to the type of pricing arrangement which can be associated with an allowable cost failed to identify the true context with which the term is used. Specifically, the use of the phrase "allowable cost" is appropriate when referring to any type of contractual agreement.

The FAR addresses allowability and allocability as necessary elements in determining a cost to be acceptable. A few respondents felt this was noteworthy and should be included in the definition of allowable cost.

Final Synthesized Definition. The finalized definition sought to expand the usage of the term by eliminating the misstatement that "cost reimbursable" contracts are the only type of contractual document in which an allowable cost decision might be made. The necessity for this change was verified by the fact that 50% of the comments received for this term alluded to the inaccuracy of this statement.

Because the issue of allocability is a separate one and deserving of its own definition, reference to it was limited as it relates to the definition of "allowable cost". This decision was made primarily to eliminate or reduce confusion between the two terms and it was felt this approach would not detract from the conveyance of a proper meaning.

Within the Armed Services Pricing Manual, it states the an allowable cost must meet the test of "allocability" (18:B-1). The finalized definition reflects this relationship, but does not expand on the issue of allocability.

A COST, EITHER DIRECT OR INDIRECT, WHICH, IF IN AGREEMENT WITH PUBLISHED COST PRINCIPLES, MAY BE ALLOCATED AND DEEMED REIMBURSABLE UNDER AN ANTICIPATED OR EXISTING CONTRACT.

ANTONYM: UNALLOWABLE COST

COST OR PRICING DATA. ALL FACTUAL OR VERIFIABLE
RECORDED INFORMATION AS OF THE TIME OF PRICE AGREEMENT
THAT PRUDENT BUYERS AND SELLERS WOULD REASONABLY EXPECT
TO AFFECT PRICE NEGOTIATIONS.

Sample Responses. - all costs the contractor has
used in developing his proposal.

- ... this definition addresses only the negotiated
contracts. Generalized definition should provide for
negotiated and non-negotiated contracts
- this may consist of estimates actual costs, projected
trends and expectations.
- add the word "significantly" after the word
"negotiations" in accordance with FAR 15.801.

Issues. The majority of comments received relative
to this phrase reflected an uneasiness with the way in which
the "validity" of cost or pricing information was treated in
the sample definition. Some felt it should be limited to
whatever information was used to prepare a proposal to meet
a requirement while others believed it should encompass all
information available to the offeror at the time the
proposal was submitted whether it was actually used in its
preparation or not. The decision of an offeror concerning
whether to consider information significant enough to
include in the cost or price proposal is left up to their
judgment and their interpretation of the applicable cost
principles. The author maintains that the survey definition
reflected a generic meaning of the term within the general
contexts in which it would be used.

Final Synthesized Definition. In reassessing the definition, given the comments discussed above, it was noted that the meaning generally reflects an understanding that cost or pricing data must allude to all the data which could affect the price of a particular proposal. Whether the information is disclosed or is properly judged to be necessary in the negotiation of a contract by the appropriate parties, should not be an issue annotated within the narrative of a definition. In view of this opinion, the only change made was a deletion of the word "recorded". It was properly noted in the comments received that demanding that information be "recorded" can lead to a wide range of interpretations. For example, some might construe the use of the word "recorded" to mean the information must be in a written form. In the interest of alleviating ambiguous phrasing, it was presumed best to leave the term open to all existing information regardless of the form (i.e. - verbal or written).

ALL FACTUAL OR VERIFIABLE INFORMATION AS OF THE TIME OF PRICE AGREEMENT THAT PRUDENT BUYERS AND SELLERS WOULD REASONABLY EXPECT TO AFFECT PRICE NEGOTIATIONS.

COMPETITIVE RANGE. THOSE OFFERORS WHOSE RESPONSES MEET THE MINIMUM REQUIREMENTS OF THE GOVERNMENT'S SOLICITATION AS DETERMINED BY THE GOVERNMENT'S EVALUATION OF TECHNICAL, MANAGEMENT AND PRICE CONSIDERATIONS AND OTHER STATED SALIENT FACTORS.

Sample Responses - believe "range" implies more than "minimum requirements". Good luck finding agreement on this definition.

- delete "meet" and "minimum" and replace with "falls within clustering of competitive range". If we use the word "minimum", it indicates a single point. Since the title includes the word range - it implies multiple points.
- watch out for the word minimum - not all technical requirements are based on minimum.
- change the period to a comma, and add the following, "and have a reasonable probability of becoming the successful offeror".
- this is a highly judgmental area. Definition should be rewritten to reflect those responses have also been determined by the Contracting Officer or Source Selection Authority as having a reasonable chance of being selected for award.

Issues Two areas of concern surfaced in the remarks received. First, the use of the word "minimum" was considered inadequate in describing the technical sufficiency an offeror would have to meet in order to be within the competitive range. The critiques pointed out that many acquisitions require an offeror to submit to a higher standard of performance than what might be considered necessary. An example might be a Government requirement which emphasizes technical performance in which award would be given to the offeror who presents the proposal containing the most innovative design to meet the Government's need. One respondent stated that an offeror must fall within a

particular level of adequacy for the various areas of "technical, management, and price considerations".

The above criticism reflected a suggested deletion of the word "minimum", while the second prevailing set of comments focused on an omission. Eighteen percent of the respondents stated that the definition should include a phrase which suggests that an offeror have a reasonable chance of becoming the successful offeror given the criteria associated with the specified requirement. These comments refer to the judgmental aspect of the competitive range evaluation. The multitude of supply and service requirements which are evaluated each day include varying degrees of subjectivity in assessing an offeror's ability; therefore, the respondents felt this should be reflected in the definition wording.

Final Synthesized Definition. The revised definition reflected both suggested changes mentioned in the discussion above. These two areas accounted for half of the remarks submitted and included relevant comments which the researcher felt increased the general understanding of the phrase. In addition, the definition was made more generic and lucid by excluding the word "government" and referencing "the group" of offerors as constituting the range rather than each "offeror". Finally, an allowance for cost type pricing arrangements was made by inserting a reference to "cost considerations".

THE GROUP OF OFFERORS WHOSE RESPONSES MEET THE REQUIREMENTS OF A SOLICITATION AND HAVE A REASONABLE CHANCE OF BEING SELECTED FOR AWARD AS DETERMINED BY THE BUYER'S EVALUATION OF TECHNICAL, MANAGEMENT, COST/PRICE CONSIDERATIONS AND OTHER STATED SALIENT FACTORS.

DESIGN SPECIFICATION. A DOCUMENT (INCLUDING DRAWINGS) SETTING FORTH THE REQUIRED CHARACTERISTICS OF A PARTICULAR COMPONENT, PART, SUBSYSTEM, SYSTEM OR CONSTRUCTION ITEM WITH SUFFICIENT DETAIL TO SHOW HOW THE PRODUCT IS TO BE MANUFACTURED AND TESTED.

SYNONYM: DETAILED SPECIFICATION

ANTONYM: PERFORMANCE OR FUNCTIONAL SPECIFICATION

- Sample Responses. - recommend we state "what a product should look like etc." versus "how" which means manufacturing technique. We want acceptable end items and often "how" it is made does not matter to us.
- delete "how" and put "what". "How" would go to Technical Specification or product specifications.
 - Government warranty should be included in the definition.
 - Design Specifications are generally held to imply that, if the specifications are complied with, the product will be functional and acceptable to the Government.
 - Propose the following definition. A document establishing the customer requirements of a particular component, part, subsystem, system or construction item to attain customer desired operational objectives.
 - Suggest substituting "showing all features needed for its completion" after the word "detail".

Issues. The primary discussion of this term revolved around the use of the word "how" versus the criteria in which the requiring organization expects the

item or service to meet. Respondents suggested that, in many instances, the agency responsible for the acquisition does not necessarily concern itself with the way in which an item is manufactured, but is merely interested in attaining the desired characteristics to meet the performance criteria it has established. Often the design characteristics will drive the manufacturing technique employed; however, it does not dictate the technique which must be used. Approximately 26% of the respondents suggested this portion of the definition be deleted.

Other comments alluded to the necessity for a discussion of how this term relates to Government warranty provisions. The researcher felt this was not a vital concern in establishing the true meaning of "design specification", but rather a concern which would be addressed under certain circumstances in which a design specification is used.

Final Synthesized Definition. The final definition reflected a deletion of the last two lines of the survey definition, which referred to the degree of sufficiency of the specification. In the final analysis, the researcher edited the definition to alleviate the criterion "manufacturability". A design specification can be written which is inadequate for use, because of a lack of "manufacturability" or "producibility", but this attribute is not inherent in the definition and, therefore, was omitted.

A DOCUMENT (INCLUDING DRAWINGS) SETTING FORTH THE REQUIRED CHARACTERISTICS OF A PARTICULAR COMPONENT, PART, SUBSYSTEM, SYSTEM OR CONSTRUCTION ITEM.

SYNONYM: DETAILED SPECIFICATION

ANTONYM: PERFORMANCE OR FUNCTIONAL SPECIFICATION

EFFECTIVE COMPETITION. A MARKET CONDITION WHICH EXISTS WHEN TWO OR MORE RESPONSIBLE OFFERORS ACTING INDEPENDENTLY CONTEND FOR A GOVERNMENT CONTRACT WHICH RESULTS IN THE GOVERNMENT RECEIVING EITHER (1) THE LOWEST COST OR PRICE ALTERNATIVE OR (2) THE BEST TECHNICAL DESIGN COUPLED WITH A COST EFFECTIVE PRICE.

Sample Responses. - suggest the word Government be eliminated and the definition will then apply to all other types of contracts.

- insert "buyer" instead of "government". Applies to subcontractor when the government has no direct involvement.

- change "the lowest cost or price" to "a fair and reasonable cost or price"

- delete everything after "contract". The results of effective competition are not pertinent to its definition. One can have effective competition in a situation where the Government decides not to buy. Further, the "lowest" of what?

- There may be a lower price available from the local hardware store. If your objective is to define effective and make it the operative word, maybe you could retain the whole five lines and add a phrase something like ". . . of the bids submitted."

Issues. Two major topics were discussed in the comments received: (1) the use of the word Government in the

definition and (2) the inclusion of the phrase "the lowest cost or price alternative" in the latter portion of the definition. The primary concern with the first topic dealt with the use of the phrase in a generic sense rather than limiting it to Government applications only. Indeed, this was an issue which applied to other terms researched. It is the intention of the researcher that the definitions be generalizable to the point where they are not limited exclusively to DOD or the private sector. It was assumed during the research that the dictionary would function as a community wide reference document for the contracting profession; therefore, definitions which were unnecessarily focused on one stratification of the acquisition community were reexamined. In most cases the word "government" was dropped from definitions when appropriate.

The second area of concern bore on the necessity of including the phrase "the lowest cost or price alternative". Five respondents felt the phrase was inaccurate insofar as it failed to address the needs of the definition. In general, these respondents stated the use of the phrase "lowest cost" was a misnomer and did not reflect the realities of most situations in which there were cases where the requiring agency could not always attain the "lowest cost" available. At least one critique remarked that there was no need for this phrase because it did not contribute to the definition.

A number of respondents contended that the results of effective competition were not pertinent to the definition and recommended ending the definition at "contract". Their comments raised the issues discussed in the previous paragraph and, in addition, stated that in many cases, it was not possible to award to the offeror submitting the "best technical design with a cost effective price". Other respondents simply suggested alternate wording for this phrase.

Final Synthesized Definition. The researcher agreed with the comments suggesting deletion of the word "government" from the term meaning. It was easily recognized that this term has meaning for each sector of the contracting community. The verbage included after "contract" was revised but not deleted because it was felt that the results of competition are what makes it "effective" and this description is vital to the term meaning. In recognition of the inaccuracy of the last statement, a change was made to account for the possibility that the winning offer might not be the "best technical design" or most "cost effective price", but the most "optimal combination" of the two.

A MARKET CONDITION WHICH EXISTS WHEN TWO OR MORE RESPONSIBLE OFFERORS ACTING INDEPENDENTLY CONTEND FOR A CONTRACT WHICH RESULTS IN THE BUYER RECEIVING EITHER (1) THE LOWEST COST OR PRICE ALTERNATIVE OR (2) THE OPTIMAL COMBINATION OF TECHNICAL DESIGN COUPLED WITH A COST EFFECTIVE PRICE.

FAIR & REASONABLE. A SUBJECTIVE EVALUATION OF WHAT TWO PARTIES EACH DEEM AS EQUITABLE CONSIDERATION IN THE AREAS OF TERMS AND CONDITIONS, COST OR PRICE, ASSURED QUALITY AND TIMELINESS OF CONTRACT PERFORMANCE ETC.

SYNONYM: EQUITABLE, ACCEPTABLE

ANTONYM: UNREASONABLE

Sample Responses. - too wordy, stop at consideration.

- place "independent" between "two" and "parties"
- delete "two parties each deem as" and add "each party deems to be".
- replace "two" with "each party" and delete "each" after "parties". Delete all after "of" and replace with "contractual terms and responsibilities".

Issues. Remarks submitted in response to this definition primarily addressed the use of the phrase "two parties". It was felt that the assessment of what is "fair and reasonable" is not necessarily limited to two parties. More than two parties or individuals can be involved in evaluating an issue's equitability. Therefore, a majority of the comments received suggested correcting this in the definition by wording the meaning such that it could apply to two or more parties. A couple of edits viewed the definition as too wordy and believed it should be shortened at the word "consideration".

Final Synthesized Definition. In the initial review it was suggested that the word consideration is often interpreted as a monetary meaning and that the phrase fair and reasonable can apply to a multitude of subject areas

during negotiation of a particular contract. In view of this, a few examples such as "terms and conditions, cost or price, assured quality and timeliness or contract performance" were inserted to indicate the varying applications of this phrase. This terminology was retained in the definition to avoid such confusion and to avoid limiting the meaning to the pricing arena. The phrases "including but not limited to" and "such as" were added so that "etc." could be eliminated from the definition.

A SUBJECTIVE EVALUATION OF WHAT EACH PARTY DEEMS AS EQUITABLE CONSIDERATION IN AREAS SUCH AS TERMS AND CONDITIONS, COST OR PRICE, ASSURED QUALITY AND TIMELINESS OF CONTRACT PERFORMANCE AND/OR ANY OTHER AREAS SUBJECT TO NEGOTIATION.

SYNONYM: EQUITABLE, ACCEPTABLE

ANTONYM: UNREASONABLE

FIRST ARTICLE. A MODEL, UNIT, LOT, OR SAMPLE USED FOR TESTING AND DETERMINING CONFORMANCE TO SPECIFIED CONTRACT REQUIREMENTS BEFORE OR IN THE INITIAL STAGE OF PRODUCTION OF A CONTRACT.

SYNONYMS: PREPRODUCTION MODEL, INITIAL PRODUCTION SAMPLE, TEST SAMPLE, PROTOTYPES, FIRST LOTS, PILOT MODELS, PILOT LOTS.

Sample Responses. - strike "preproduction model" and "prototypes"

- prototype is normally not first production article
- first article should be production units, thus "preproduction" may not qualify. Buyer is approving production based on first article.
- after "contract; place "which we normally inspected and accepted before full scale production commences"

Issues. This term received a relatively small number of comments among the phrases surveyed. In total, 57 of the 77 survey participants agreed with the definition. The remarks received were primarily confined to a discussion of the inclusion of "preproduction models and prototypes" as examples of first articles. These respondents felt that the term's definition should be restricted to those items taken from the production run of a manufacturing line. Preproduction models and prototypes are used during the design phase of system development.

Final Synthesized Definition. With the exception of the deletion of "preproduction model and "prototypes" from the list of synonyms, the definition was not changed.

A MODEL, UNIT, LOT, OR SAMPLE USED FOR TESTING AND DETERMINING CONFORMANCE TO SPECIFIED CONTRACT REQUIREMENTS BEFORE OR IN THE INITIAL STAGE OF PRODUCTION OF A CONTRACT.

SYNONYMS: INITIAL PRODUCTION SAMPLE, TEST SAMPLE, FIRST LOTS, PILOT MODELS, PILOT LOTS.

FORWARD PRICING. ACTION INVOLVING NEGOTIATIONS AND A RESULTANT AGREEMENT BETWEEN A CONTRACTOR AND THE GOVERNMENT TO USE CERTAIN RATES (LABOR, INDIRECT, MATERIALS ETC.) AND INDICES FOR A SPECIFIED FUTURE PERIOD OF TIME IN PRICING CONTRACTS OR CONTRACT MODIFICATIONS.

ANTONYMS: ACTUAL OR FINAL COST DETERMINATION

Sample Responses. - Pretty good - but only defined forward pricing rates. Forward pricing involves much more. - forward pricing is the use of "certain rates, etc." The negotiations and agreement is a forward pricing agreement, not forward pricing.

- if you remove the words "the government" you will open the definition for the rest of us.

Issues. Analysis of the suggested changes to this definition revealed a conflict between the relatively general phrase "forward pricing" and another more specific phrase "forward pricing rate agreement (FPRA)". One respondent indicated disagreement with the synthesized definition based on the reference to "certain rates", because he or she felt it too closely paralleled a description of a FPRA.

The use of the Government as an exclusive user of forward pricing was also called into question by a couple of the survey reviewers. This reiterates the point made earlier regarding establishing a generic definition for those terms in which it is appropriate. The private sector as well as the public uses forward pricing as a method to ease the burden of lengthy negotiations.

Final Synthesized Definition. In the opinion of the researcher, it was necessary to indicate what would result from the "negotiations and resultant agreement" between the two parties. The fact that the definition does not limit itself to agreement on rates but also the use of indices such as the Data Resource Index versus the Bureau of Labor Statistics Index reflects an understanding that forward pricing can encompass a wide range of subject areas. Therefore, no changes were made to eliminate a possible

conflict with the definition for FPRA. Also, the word "government" was replaced with "buyer" to aid in its application to a wider audience as discussed earlier. In view of the descriptive nature of the antonyms versus an actual antithetical connotative meaning, these phrases were deleted from the final definition.

ACTION INVOLVING NEGOTIATIONS AND A RESULTANT AGREEMENT BETWEEN A CONTRACTOR AND THE BUYER TO USE CERTAIN RATES (LABOR, INDIRECT, MATERIALS ETC.) AND/OR INDICES FOR A SPECIFIED FUTURE PERIOD OF TIME IN PRICING CONTRACTS OR CONTRACT MODIFICATIONS.

GOVERNMENT - FURNISHED PROPERTY. ITEMS IN THE POSSESSION OF OR ACQUIRED BY THE GOVERNMENT AND SUBSEQUENTLY MADE AVAILABLE TO THE CONTRACTOR TO FULFILL THE REQUIREMENTS OF A CONTRACT.

ANTONYM: CONTRACTOR - ACQUIRED PROPERTY

Sample Responses. - too simple a definition for a rather complex issue.

- delete "in the possession of or acquired by" and add holds the title" after the "Government"

- could be used in software applications. Government retains title? Normally, Government Furnished Equipment is incorporated in an end product delivered to the Government.

Issues. With 62% of the survey population agreeing with the survey delineation, a small number (23) of comments were received relative to this definition. One suggestion was to indicate that the Government holds title to the property rather than stating the property is in "the possession of or acquired by the Government." The researcher believed this constrained the definition to one

particular circumstance was unnecessary. Other minor changes were included in the comments, but presented no major changes which would shift the meaning conveyed in the definition. The definition itself closely parallels that used in the FAR and this was believed to be a major reason why few suggestions for improvement. It was also speculated that some confusion exists as to the difference between Government-Furnished Equipment (GFE) and Government - Furnished Material (GFM) and GFP. One comment referred to the phrase as GFE rather than GFP.

Final Synthesized Definition. Only one change was incorporated into the final definition. The antonym was modified to reflect a majority view of the respondents concerning the appropriate phrase to be used.

ITEMS IN THE POSSESSION OF OR ACQUIRED BY THE
GOVERNMENT AND SUBSEQUENTLY MADE AVAILABLE TO THE
CONTRACTOR TO FULFILL THE REQUIREMENTS OF A CONTRACT.
ANTONYM: CONTRACTOR - FURNISHED PROPERTY

IN SCOPE. PHRASE USED TO DENOTE THAT AN ACTION
PERFORMED OR REQUESTED TO BE PERFORMED BY A CONTRACTOR
FOR THE GOVERNMENT COULD REASONABLY BE CONSIDERED TO BE
WITHIN THE REQUIREMENTS OF THE CONTRACT.

Issues. A clear majority of the respondents (70%) agreed with the definition presented in the survey. The most prevalent critique was the use of the word Government. As alluded to earlier, it was widely stipulated within the general comments that the term meanings should be geared toward the overall contracting community.

Almost 50% of the responses received suggested the antonym "out of scope" be included in the revised definition. One reply mentioned the term "outside the scope" and the meaning it has developed in the legal profession and suggested that the development of a definition for "in scope" tampers or conflicts with the legal definition of "outside the scope". The researcher was unable to clarify this comment, but could find no basis for it within the context of a dictionary of procurement terms.

Final Synthesized Definition. Inclusion of the word "Government" excludes a large portion of the acquisition work force such as commercial DOD contractors along with state and local government agencies. As a result, a change was made to delete this limitation from the definition. Concurrently, the antonym "out of scope" was added to the definition.

PHRASE USED TO DENOTE THAT AN ACTION PERFORMED OR REQUESTED TO BE PERFORMED BY A CONTRACTOR FOR THE BUYER COULD REASONABLY BE CONSIDERED TO BE WITHIN THE REQUIREMENTS OF THE CONTRACT.

ANTONYM: OUT OF SCOPE

LETTER CONTRACT. A PRELIMINARY, WRITTEN CONTRACTUAL INSTRUMENT, HISTORICALLY IN LETTER FORM, THAT AUTHORIZES THE CONTRACTOR TO COMMENCE WORK, INCUR COSTS AND MAKE COMMITMENTS PENDING DEFINITIZATION (USUALLY WITHIN SIX MONTHS) OF A FIXED-PRICE OR COST-REIMBURSEMENT PRICING ARRANGEMENT FOR THE WORK TO BE DONE. USED WHEN IT IS NOT POSSIBLE TO NEGOTIATE A DEFINITIVE CONTRACT IN SUFFICIENT TIME TO MEET THE PROCUREMENT NEED.

SYNONYM: UNPRICED CHANGE ORDER

ANTONYM: PRICED CONTRACT OR SUPPLEMENTAL AGREEMENT

Sample Responses. - Synonym is wrong. An unpriced change order, or unpriced Basic Ordering Agreement are totally different things.

- Strike synonym

- Delete "usually within 6 months". I don't think it is necessary to put this statement in. The attempt is to get a definitized contract as rapidly as possible, one hopes it would be less than 6 months, but could be longer.

- delete "preliminary, written" and "usually within 6 months" . A letter contract is a contract so why call it preliminary? It is just a form of contract with extremely loose terms and conditions. Why put a time limit in a definition?

- Rewrite in accordance with FAR 16.603-2 to reflect concept of Government's interest demands that contractor be given a binding commitment so work may begin immediately. Delete "unpriced change order" as a synonym.

Issues. Suggestions reflected discontent with the phrase "usually within six months" as a definitization time limit. The respondents felt it unnecessary and, in some cases, inaccurate to suggest a usual letter contract duration of six months given the different procedures which might apply for various agencies. According to fourteen of the survey respondents, the meaning of the term "unpriced change order" was too distant from the phrase "letter contract" to be called a synonym. It was inferred that the

individual's rejected this term being used as a synonym primarily because the unpriced change order is a modification to a contract already in existence; whereas, a letter contract stands on its own as a legal document binding to all parties who partake in it.

Final Synthesized Definition. The phrase "preliminary, written" was deleted from the definition in recognition of the comments received and the opinion of the researcher that it did not significantly contribute to the definition content. Also, deleted reference to a usual six month definitization period as unnecessary to the term meaning and unduly descriptive. In addition, the synonym was discarded for reasons described in the previous paragraph.

A CONTRACTUAL INSTRUMENT, HISTORICALLY IN LETTER FORM, THAT AUTHORIZES THE CONTRACTOR TO COMMENCE WORK, INCUR COSTS AND MAKE COMMITMENTS PENDING DEFINITIZATION OF A FIXED-PRICE OR COST-REIMBURSEMENT PRICING ARRANGEMENT FOR THE WORK TO BE DONE. USED WHEN IT IS NOT POSSIBLE TO NEGOTIATE A DEFINITIVE CONTRACT IN SUFFICIENT TIME TO MEET THE PROCUREMENT NEED.

MANUFACTURING RESOURCE PLANNING. A PRODUCTION PLANNING AND CONTROL SYSTEM USED TO SCHEDULE PRODUCTION JOBS, PURCHASE MATERIALS, CHECK CAPACITY REQUIREMENTS, FORECAST PRODUCT DEMANDS, AND REDIRECT MATERIAL SUPPLIES IN THE FACE OF CHANGING SCHEDULES.
SYNONYM: MATERIAL MANAGEMENT AND ACCOUNTING SYSTEM, MATERIAL REQUIREMENTS PLANNING

Sample Responses. - And marshal resources: people or talent, space, equipment.
- add "to optimize utilization of company's resources and maintain its competitive position" at the end.

- This is a DOD term of art.
- deleted "purchase" , replace with "and". A manufacturing plan is not normally used to purchase materials as much as it is to plan material needs.
- suggest adding "normally computerized" between system and used.

Issues. Approximately 89% of the respondents agreed with this definition as written. One critique suggested adding a phrase to describe the expected objectives behind the use of this system. Another comment expressed his belief that the term was a DOD phrase. It was not clear whether he or she was questioning its inclusion in the dictionary. Regardless, MRP or MMAS is a program used in many other industries besides DOD industry largely as an inventory control system to enhance the ability of a firm to alleviate large stocks of inventory which take up space and cost large sums of money in storage costs.

Final Synthesized Definition. None of the submitted comments were used in a revision of the definition contained in the survey. The suggestions, in the opinion of the researcher did not significantly contribute to further clarification of the basic meaning of the term.

A PRODUCTION PLANNING AND CONTROL SYSTEM USED TO SCHEDULE PRODUCTION JOBS, PURCHASE MATERIALS, CHECK CAPACITY REQUIREMENTS, FORECAST PRODUCT DEMANDS, AND REDIRECT MATERIAL SUPPLIES IN THE FACE OF CHANGING SCHEDULES.

SYNONYM: MATERIAL MANAGEMENT AND ACCOUNTING SYSTEM, MATERIAL REQUIREMENTS PLANNING

MARKET SURVEY. PROCESS OF ATTEMPTING, THROUGH VERBAL OR WRITTEN MEANS, TO IDENTIFY AND ASCERTAIN WHETHER QUALIFIED SOURCES EXIST WHICH ARE CAPABLE OF SATISFYING THE GOVERNMENT'S REQUIREMENT.

Sample Responses. - I would suggest an alternate label. i.e. product survey or source survey. Inasmuch as "market" survey normally denotes what is the "demand" for a product or service. For example, I have an idea for a product and take a market survey to determine the likelihood of adequate sales or customer reaction to the product.

- Market usually refers to sales - would not the term be better if "source survey".
- Too limiting. Contractors make such a survey. This sounds like only the government surveys.
- Since this definition is limited to the Government market, we must identify this as such. And we must define the commercial market survey.

Issues. Two of the thirty responses received suggested changing the identification of the term to product or source survey. The rationale behind this suggestion related to the proclivity for an individual inexperienced in the contracting environment to intuitively interpret market survey to mean a survey of potential clientele for a future product or service. The respondents believed "market survey" was a misnomer given the possible confusion which could arise by those not familiar with contracting's unique utilization of this phrase.

Again, the use of the word Government was called into question. The phrase market survey is widely used in other procurement agencies and should not be confined to government terminology. The function of seeking out sources available to fulfill a certain requirement, for instance, can manifest itself in a private sector contractor soliciting the services of potential subcontractors.

Other comments received were largely wording changes which certain practitioners believed gave a more descriptive definition.

Final Synthesized Definition. The revision of this definition largely reflected editing what the researcher considered nonessential wording. These changes were derived from the comments received. As discussed above, the word "Government" was again replaced with the more generic word "buyer".

PROCESS OF ATTEMPTING TO IDENTIFY QUALIFIED SOURCES WHICH ARE CAPABLE OF SATISFYING THE BUYER'S REQUIREMENT.

NON-DEVELOPMENTAL ITEM. A GENERIC TERM DESCRIBING EITHER A COMMERCIAL PRODUCT OR AN ITEM WHICH HAS BEEN PREVIOUSLY DEVELOPED AND USED BY ANOTHER SERVICE, COUNTRY, OR GOVERNMENT AGENCY. CAN ALSO APPLY TO AN ITEM OF SUPPLY CURRENTLY BEING PRODUCED THAT DOES NOT MEET THE REQUIREMENTS ABOVE SOLELY BECAUSE THE ITEM IS NOT YET IN USE OR IS NOT YET AVAILABLE IN THE COMMERCIAL MARKETPLACE.

SYNONYM: OFF-THE SHELF, COMMERCIAL PRODUCT

ANTONYM: GOVERNMENT UNIQUE, GOVERNMENT PECULIAR

Sample Responses. - The second sentence tends to contradict the first as regards to a commercial. Delete.

- This could be confusing because the two descriptions mean opposite things.
- Not sure why we need this definition
- Never heard the term, so I cannot guess why we need a definition. Are we trying to define an "existing item"?
- This a DOD term of art, not a generic one. May wish to expand to include concept of items previously produced, but no longer in production.

Issues. Most write ups centered on the apparent contradiction between the first and second sentence. The first sentence appeared to be the one most survey recipient's were familiar with. The primary explanation for the contradictory nature of the definition lies in its attempt to explain given situations in which the term "nondevelopmental item" would still be appropriate. The second sentence describes a circumstance where a particular product may be anticipating commercial availability, but has not "yet" been released or distributed.

It was obvious that some survey recipients were unfamiliar with the term. This was understandable considering the fact that the Army is the service which is primarily involved with the use of nondevelopmental items. The Army sees the procurement of these items as a method to meet their acquisition needs while taking advantage of the lower cost and acquisition lead times of commercially available articles.

Final Synthesized Definition. Due to the confusion caused by the latter portion of the definition, it was deleted in the finalized definition. The second sentence merely widens the circumstances under which the term nondevelopmental item could apply, but it does not serve a refined purpose in defining what a nondevelopmental item is. In addition, the antonyms were deleted as they were nonessential to the understanding of the term.

A GENERIC TERM DESCRIBING EITHER A COMMERCIAL PRODUCT OR AN ITEM WHICH HAS BEEN PREVIOUSLY DEVELOPED AND USED BY ANOTHER SERVICE, COUNTRY, OR GOVERNMENT AGENCY.

SYNONYM: OFF-THE SHELF, COMMERCIAL PRODUCT

PRUDENT BUSINESS-MAN CONCEPT. PHRASE USED AS A MEASURE OF REASONABLENESS IN ASSESSING AN OFFER OR COUNTER-OFFER. RELATED TO MAKING A PROCUREMENT DECISION BASED ON SOUND FIDUCIARY OR BUSINESS PRINCIPLES.

Sample Responses. - NO, this phrase should not be limited to offer assessment. It is much more far reaching.

- Delete "an offer or counter - offer" and replace with "business transactions"
- Change listing to "reasonable man" or "prudent man" and revise definition to cover the probable decision that a reasonable man would make in a particular set of circumstances or market conditions (irrespective of "sound fiduciary or business principles").

Issues. Approximately 58% of the survey participants approved the definition as specified in the survey. Other than minor expression changes and adjustments, the responses essentially suggested a

definition which would avoid limiting the concept to "an offer or counter-offer". Expansion of the meaning of the term would involve an application more applicable to a variety of contracting actions or decisions.

Final Synthesized Definition. A single change was made to enhance the scope of the definition in accordance with the comments. The researcher believed that by expanding the definition to encompass all contract actions, a more appropriate term meaning would result.

PHRASE USED AS A MEASURE OF REASONABLENESS IN ASSESSING AN OFFER, COUNTER-OFFER OR OTHER CONTRACTUAL ACTION. RELATED TO MAKING A PROCUREMENT DECISION BASED ON SOUND FIDUCIARY OR BUSINESS PRINCIPLES.

REQUEST FOR PROPOSAL. A DOCUMENT USED IN NEGOTIATED PROCUREMENTS FOR THE PURPOSE OF SOLICITING A PROPOSAL FROM AN OFFEROR; USUALLY CONTAINS (IF APPLICABLE) A DESCRIPTION OF THE ITEM OR SERVICE, THE TERMS AND CONDITIONS, THE TYPE OF CONTRACT, A SCHEDULE, A STATEMENT OF WORK, TIME AND PLACE OF DELIVERY, METHOD OF SHIPMENT, PACKAGING AND INSTRUCTION MANUAL REQUIREMENTS, MATERIALS TO BE FURNISHED, REPRESENTATIONS AND CERTIFICATIONS AND PROPOSAL PREPARATION INSTRUCTIONS. MAY OR MAY NOT CONTAIN A REQUEST FOR PRICING.

Sample Responses. - Wordy. All proposals do not have the items listed.

- Feel this definition gets too specific. Appears to be tailored to an Air Force procurement, not the National Aeronautics and Space Administration (NASA). What I have seen in NASA , RFP's are Contract Data Requirements Lists which identify documentation deliverables.

- Revise to be more consistent with FAR 15.402. Change "document" to "solicitation (usually written)" and add that can be used by the Government to create a binding contract" after the word "offeror".

Issues. Comments dealt chiefly with content changes involving the types of documentation found in a Request for Proposal (RFP). This presented a major dilemma for the researcher. In the interest of providing a thorough meaning to the term, the definition became somewhat inundated with a complete listing of the general and specific content of a RFP. A couple of responses suggested the definition was "too wordy" or in other cases, respondents included additional entries to the content listing.

Final Synthesized Definition. To present a distinct definition which was not overburdened with detail which might not necessarily apply across the spectrum of contracting agencies, it was decided to delete the listing of RFP sections. The researcher felt this would present a much more concise and meaningful definition.

A DOCUMENT USED IN NEGOTIATED PROCUREMENTS FOR THE PURPOSE OF SOLICITING A PROPOSAL FROM AN OFFEROR WHICH CAN BE USED TO CREATE A BINDING CONTRACT.

REQUEST FOR QUOTATION. A FORM OF INFORMAL SOLICITATION, INCLUDING OBTAINING ORAL OR WRITTEN QUOTES FROM VENDORS, WITHOUT FORMAL ADVERTISING AND RECEIPT OF SEALED BIDS. A REQUEST FOR INFORMATION WHICH DOES NOT DENOTE A BINDING COMMITMENT FROM THE SUBMITTING FIRM.

Sample Responses. - Add "nor a firm commitment by the government to issue a procurement document."

- Your dollar limitation should be spelled out here. In that regard I recommend lowering the use limit from \$25,000 to \$10,000.

- delete "informal".

- delete "without formal advertising and receipt of sealed bids" and add "which does not commit the govt to place an order."

- disagree. An RFQ is asking for a quotation on something already owed or already ordered - like pricing an unpriced order or repair of Government Furnished Material or Government Furnished Property that had been authorized to be fixed. The above definition is merely a relaxation of the content in an RFP - i.e. a proposal is anything or anytime the buyer can reject or choose not to buy.

Issues. The commentary received regarding the survey definition concentrated on various usages which have surfaced in the work areas of the respondents. Thirty percent of the surveyees submitted remarks on this definition. Of the 30%, thirteen percent totally disagreed with the meaning annotated in the survey. One respondent stated that an RFQ is used as a method to receive a quotation on an item which has previously been ordered by the "buyer". Two comments received stated that industry used the terms "request for proposal" and "request for

quotation" interchangeably in many instances and that there was no difference between the terms.

As stated most survey respondents generally agreed with the definition submitted; however, some suggested minor changes to the form. For example, two comments advised using a definition more in sync with the FAR denotation by discussing the Government's options to submit an order dependent on the acceptance of the order by the submitter of the quotation. Another recommended inserting dollar thresholds for the use of a RFQ. This was not considered in the revision of the term definition because of the inability to assure applicability to all those for whom a future dictionary might apply.

Final Synthesized Definition. The definition as presented was deemed to be appropriate given the analysis of the respondents comments. Minor wording changes were made to present a more accurate term meaning. The word "informal" was dropped because of its negative connotation and lack of contribution to the definitive meaning of the term.

A FORM OF SOLICITATION WHICH INCLUDES OBTAINING ORAL OR WRITTEN QUOTES FROM VENDORS, WITHOUT FORMAL ADVERTISING AND RECEIPT OF SEALED BIDS. A REQUEST FOR INFORMATION WHICH DOES NOT DENOTE A BINDING COMMITMENT FROM THE SUBMITTING FIRM.

REVERSE ENGINEERING. PROCESS WHEREBY A PRODUCT IS ANALYZED TO DETERMINE THE COMPOSITION OF ITS VARIOUS DESIGN ELEMENTS FOR THE PURPOSE OF PRODUCING A LIKE PRODUCT OR PARTICULAR PERFORMANCE CAPABILITY.
SYNONYM: COPYCAT ENGINEERING

ANTONYM: ORIGINAL DESIGN

Sample Responses. - Delete "particular" and replace with "similar"

- The old language especially in the electronic mfg business was "Chinese copy". Your language is a big improvement.
- Insert "and mfg (or production)" after "design"
- Put "and performance functions" after "capability"
- Largely a DOD term of art. Suggest adding "existing" before the word "product".
- add "or to obtain an independent estimate of production cost" at the end. synonym: chinese copy

Issues. Approximately twenty-two percent of the survey respondent submitted remarks on this term definition. None of the proposed changes disagreed with the derived meaning. Suggested wording changes and synonyms such as that shown above reflect the extent to which surveyees felt the definition could be improved.

Final Synthesized Definition. Per the suggested changes, the word "particular" was deleted. This term was thought to be redundant and failed to contribute anything concrete to the definition. No other changes were considered suitable.

PROCESS WHEREBY A PRODUCT IS ANALYZED TO DETERMINE THE COMPOSITION OF ITS VARIOUS DESIGN ELEMENTS FOR THE PURPOSE OF PRODUCING A LIKE PRODUCT OR PERFORMANCE CAPABILITY.

SYNONYM: COPYCAT ENGINEERING

ANTONYM: ORIGINAL DESIGN

SCOPE OF WORK. TERM USED WHEN REFERRING TO THE RANGE OF WORK TO BE PERFORMED BY A CONTRACTOR IN FULFILLMENT OF A PARTICULAR CONTRACTUAL REQUIREMENT. USUALLY DESIGNATED IN THE STATEMENT OF WORK AS "WORK TO BE ACCOMPLISHED". (SEE STATEMENT OF WORK)
SYNONYM: WORK STATEMENT

Sample Responses. - cross reference with in-scope/
out of scope

- delete "term used when referring to"
- I would add two words in the first line after the word "range" add "and nature"
- work statement and statement of work are same words. use statement of work definition - delete this
- Concur with your definition however "scope of work" and "statement of work" are used interchangeably whether it is appropriate or not.
- delete "range of work" and replace with "total effort".
- "range of work" is misleading. Usually the SOW tells exactly what has to be done - not a range.
- First line: the words "range of work" might better be "requirements of the contract" to coincide with the terminology in "in scope". Third line: if you accept the above suggestion, change the word "requirement" to read "specification"
- delete "range of". synonym: work to be performed

Issues. One major issue surfaced during the review of responses to this term definition: whether a clearer distinction needed to be made between "statement of work", "in scope" and "scope of work". Ten respondents drew

attention to the necessity of distinguishing the difference between these terms. This subject area accounted for 46% of the remarks received. In regard to the terms "in scope" and "scope of work", the surveyees felt a cross-reference should be included and similar wording between the two definitions should be used to reflect their likeness.

Two opposing viewpoints were presented relative to "statement of work" and "scope of work". Some respondents believed they were basically the same thing or others stated that "scope of work" was meant to be a much more prevailing term for referring to the entire breadth of "contractual requirements" and not necessarily confined to a section in the SOW.

Final Synthesized Definition.

It was noted by the researcher in the analysis of the first issue discussed above that "in scope" denotes a determination made by an individual i.e. "the tasks assigned are in scope", while the definition for "scope of work" was meant to refer to a concept of the aggregate work included in a contractual requirement. The researcher felt this distinction was well made in the two definitions and this was bore out by the fact that only one respondent requested a direct change to the wording of "scope of work" to that of the definition of "in scope".

Relative to the second issue discussed above, the researcher concurred with the view that "scope of work"

entails a conceptual understanding of the range of contractual obligations an offeror must succumb to upon acceptance of a contract. The reference to a portion of the statement of work entitled "work to be accomplished" appeared to be misleading and confusing and did not serve its purpose as an example of the term meaning. As a result the last sentence was deleted to avoid confusion. Wording changes were also made to increase the clarity of the definition. "Total effort" was substituted for "range of work" and "term used when referring to" was also considered unnecessary.

THE TOTAL EFFORT TO BE PERFORMED BY A CONTRACTOR IN FULFILLMENT OF A CONTRACTUAL REQUIREMENT.
SYNONYM: WORK STATEMENT

SOURCE SELECTION. THE PROCESS WHEREIN THE REQUIREMENTS, FACTS CONCERNING POTENTIAL OFFERS, AND POLICIES APPLICABLE TO A COMPETITIVE AWARD DECISION OF A SYSTEM/PROJECT ARE EXAMINED BY EVALUATORS WHOSE SUBSEQUENT RECOMMENDATIONS (BASED ON AN INTEGRATED ASSESSMENT) FOR THE FINAL AWARD DECISION ARE THEN FORWARDED TO THE SELECTION AUTHORITY.

Sample Responses. - this describes a complex committee selection. There are still simple lowest-cost responsive supplier selections

- Be careful. Most practitioners do not procure or market large systems where there is a "selection authority" I would either expand this to include the source selection practice most used or delete the definition entirely.
- delete "recommendations" and insert "findings". Source evaluation boards do not generally recommend, they evaluate,

identify strengths and weaknesses, develop findings and present the facts in light of the solicitations criteria to the authority.

- Source Selection Evaluation Board never recommends, it merely reports findings to the Source Selection Authority.
- I suggest adding "process" to your definition title to fit your prescribed meaning.

Issues. A majority of the survey participants agreed with the definition as synthesized (44 of 77). However, a couple of issues included in the comments received were addressed in the revision of the definition.

The definition was geared toward the formal process included in Air Force Regulation (AFR) 70-15 in which separate committees are formed such as the Source Selection Evaluation Board and Source Selection Advisory Council to review proposals received and submit their findings to a Source Selection Authority. Two respondents stated that the phrase should be generically applied to the generalized process of selecting a "source" for a requirement.

It was stated in other critiques that the wording contained within the definition was in conflict with formalized source selection procedures outlined in AFR 70-15. Primarily, this was in reference to the use of the word "recommendations". As stated by the reviews, in formal Source Selection, the evaluators do not make recommendations to the final Source Selection Authority, but simply report

their findings with the ultimate selection decision left to the Source Selection Authority.

Final Synthesized Definition. The definition was revised in only one manner by replacing "recommendations" with "findings" to coincide with the direction given in AFR 70-15. This change was minor in relation to the meaning of the definition but helped to avoid a conflict with current DOD regulations which could negate its effectiveness. As suggested in one critique, the word "process" was not added to the definition, because it was felt the current term was much more widely used and it was not within the purview of this research to dictate the terms which should be used for a certain definition.

THE PROCESS WHEREIN THE REQUIREMENTS, FACTS CONCERNING POTENTIAL OFFERS, AND POLICIES APPLICABLE TO A COMPETITIVE AWARD DECISION OF A SYSTEM/PROJECT ARE EXAMINED BY EVALUATORS WHOSE SUBSEQUENT FINDINGS (BASED ON AN INTEGRATED ASSESSMENT) FOR THE FINAL AWARD DECISION ARE THEN FORWARDED TO THE SELECTION AUTHORITY.

STATEMENT OF WORK. THE SECTION OF A REQUEST FOR PROPOSAL OR CONTRACT THAT DEFINES AND/OR DESCRIBES THE WORK WHICH THE REQUIRING ORGANIZATION WANTS THE CONTRACTOR TO PERFORM.

SYNONYM: WORK STATEMENT, PURCHASE DESCRIPTION SPECIFICATION

Sample Responses. - substitute "solicitation" for "request for proposal" in line 1. Also used in RFQs and IFBs. Usually includes scope, quantity, period of performance, evaluation of work criteria, delivery schedule, drawings Synonyms: SOW, Work Scope

- delete "section of a request for proposal or contract" and replace with "document". delete "which the requiring organization wants the contractor" and add "to be performed" at the end.
- delete "scope of work" as it is usually essentially the same as SOW.
- synonym: scope of work
- delete "which the ... wants"
- put Government instead of "requiring organization"
- delete "which the ... perform" and replace with "required to be performed."
- delete "requiring" and insert "buying". delete "wants" and replace with "requires"

Issues. Approximately 72% of the survey participants agreed with the definition as written. A majority of the comments received requested alternate verbage be used for "requiring organization" . In some cases, "government" was thought to be an adequate substitute, while in others, "buying organization" was suggested.

Again, the issue of the similarities between the SOW and "scope of work" was raised. It was decided that this debate would be expanded upon and dealt with in the formation of a finalized definition for "scope of work".

Other inputs included the suggestion that an alternate phrase be substituted for "request for proposal" as the SOW

itself is not always referred to in the context of the RFP. The phrase, Statement of Work, can stand alone in conversation or in correspondence prior to development of the RFP.

Final Synthesized Definition. The researcher revised the definition by simplifying its description as a "document" rather than a RFP section. This change would allow for more emphasis to be placed on the function of the SOW as opposed to where it could be found, which is not always the case.

Minor wording changes were transcribed to the definition to enhance its readability. The term "requiring" was replaced by the word "buying" and the word "wants" was replaced by "requires".

THE DOCUMENT WHICH DEFINES AND/OR DESCRIBES THE WORK WHICH THE BUYING ORGANIZATION REQUIRES THE CONTRACTOR TO PERFORM.

SYNONYM: WORK STATEMENT, PURCHASE DESCRIPTION SPECIFICATION

TECHNICAL ANALYSIS. EVALUATION, ORDINARILY CONDUCTED BY ENGINEERING, TECHNICAL OR SPECIALIZED PERSONNEL, OF THE (1) REQUISITE TECHNICAL AND MANAGERIAL QUALIFICATIONS OF A CONTRACTOR TO PERFORM A PARTICULAR CONTRACT REQUIREMENT (2) APPLICABILITY/SUFFICIENCY OF THE TECHNICAL SOLUTION PROPOSED TO FULFILL THE CONTEMPLATED CONTRACT REQUIREMENTS.

SYNONYM: TECHNICAL EVALUATION

Sample Responses. - I think "managerial qualifications" has a bearing on how a technical analysis might be run, but is it technical analysis? Unless you have a strong case for its inclusion, suggest deleting.

- delete the word "requisite"
- delete "requisite" and "of a contractor"
- delete "requisite" & "and managerial" & "the contemplated".
- the word "managerial" bothers me a bit in a definition of technical analysis.

Issues. Other than minor wording changes, the comments provided fell into two main areas. First, there was a question as to the statement that technical analysis includes the evaluation of an offeror's "managerial qualification's". These individual's were uncomfortable with the consolidation of the two terms "technical" and "managerial" because of the different meanings associated with each as stand alone terminology.

Second, 12% of respondents submitting comments did not approve of the use of the word "requisite" in line three of the definition. This word was thought to be unnecessary in expressing the proper meaning of the term.

Final Synthesized Definition. The word "managerial" was left in the definition as an accurate statement of an area which is examined during a technical analysis. The technical evaluators are often the most qualified to judge the managerial qualifications of the offeror based on their technical familiarity with the way in which the production of the item should be carried out.

The word "requisite" was deleted as unnecessary to the core definition of the term.

EVALUATION, ORDINARILY CONDUCTED BY ENGINEERING, TECHNICAL OR SPECIALIZED PERSONNEL, OF THE (1) TECHNICAL AND MANAGERIAL QUALIFICATIONS OF A CONTRACTOR TO PERFORM A PARTICULAR CONTRACT REQUIREMENT (2) APPLICABILITY/SUFFICIENCY OF THE TECHNICAL SOLUTION PROPOSED TO FULFILL CONTEMPLATED CONTRACT REQUIREMENTS.
SYNONYM: TECHNICAL EVALUATION

VALUE ENGINEERING. AN ORGANIZED EFFORT CONCERNED WITH THE ELIMINATION OR MODIFICATION OF ANYTHING THAT CONTRIBUTES TO THE ACQUISITION, OPERATION OR SUPPORT COST OF AN ITEM OR TASK BUT IS NOT NECESSARY FOR NEEDED PERFORMANCE, QUALITY, MAINTAINABILITY, RELIABILITY OR INTERCHANGEABILITY.

SYNONYM: VALUE ANALYSIS, COST AVOIDANCE

Sample Responses. - may not be necessary for performance, quality, etc., but if can improve these at same/lower cost can be called "value engineering".

- I would not limit VE to what small minded folks would classify as "not necessary for needed performance"
- delete "anything that contributes to" and replace with "an aspect of". delete "but is not necessary for" and replace with "that is not necessary to"
- Rewrite consistent with FAR 48.001
- I would suggest going to FAR 48.101 and use those words for a definition of VE. Synonym: Value Engineering Change Proposal (VECP).
- Isn't VE really a cost incentive and aren't contractor's awarded better incentives for VECs? Should get into definition.

- add "Applicable government provisions entitle contractors or subcontractors to share in the savings."

Issues. Approximately 68% of the respondents agreed with the definition contained in the survey. Comments received relative to this term definition discussed expanding the narrative to include a description of the incentive arrangement which is part of the DOD procedure for Value Engineering. In addition, at least two respondents maintained that the FAR definition should have been more closely followed. The two critiques described above closely paralleled each other. The FAR verbage was closely followed in the opening lines of the definition; however, the FAR does not define Value Engineering per se, but rather the Value Engineering Change Proposal (VECP) procedure. FAR 48.101 deals with a description of the procedure and results of VECPs versus an express meaning of the phrase itself.

Four respondents took exception to the use of the phrase "but is not necessary to". This phrase was thought to be unclear and misleading from a conceptual standpoint. One simply advised using alternate wording. Three other respondents were confused by the wording and felt it belittled the use of the technique as a viable method for improving the efficiency of a particular system.

Final Synthesized Definition. The primary alteration to this definition was a substitution of the phrase "enhances or maintains" for "is not necessary". The

comments revealed discontent with the negative implications of the definition as written in the survey. Survey respondents stated that the VE process must reduce cost in order to qualify as a viable VE proposal but, under certain circumstances, could concurrently enhance the capability of the system. This argument was taken into account in the revised definition.

AN ORGANIZED EFFORT CONCERNED WITH THE ELIMINATION OR MODIFICATION OF ANYTHING THAT CONTRIBUTES TO THE ACQUISITION, OPERATION OR SUPPORT COST OF AN ITEM OR TASK BUT WHICH IMPROVES OR MAINTAINS NEEDED PERFORMANCE, QUALITY, MAINTAINABILITY, RELIABILITY OR INTERCHANGEABILITY.

SYNONYM: VALUE ANALYSIS

WEIGHTED GUIDELINES. A STRUCTURED APPROACH FOR DEVELOPING FEE AND PROFIT NEGOTIATION OBJECTIVES THAT ENSURES CONSIDERATION OF THE RELATIVE VALUE OF APPROPRIATE COST RELATED FACTORS.

Sample Responses. - Not only cost factors but risk factors as well.

- Insert "by the Government" between "approach" and "for". add "such as contractor risk, investment in equipment etc." at the end.

- Delete "ensures" and replace with "focuses on". It does not ensure anything.

- Delete "ensures" and replace with "requires". Delete "of the relative value of appropriate cost related" and replace with "in a specified manner of predetermined".

- questioned the use of the word "ensures". add "and contractor investment" at the end

- I challenge "ensures". An Air Force Systems Command study says objectives are set by "management" not by Weighted Guidelines. It might be better to just leave it to judgment of experienced contracting officers.
- delete " ensures ... factors" and replace with "provides a better probability that equitable profit is achieved for all involved participants."

Issues. A scant 56% of the survey participants fully concurred with the definition contained in the survey. However, 47% of the responses addressed the same two deletions or omissions. First, 29% of those submitting comments to this definition that the use of an expression such as "ensures" was overly optimistic. These individuals felt that while the guidelines provided for a quantitative consideration of profit related factors, the ability of the guidelines to "ensure" these considerations was left in the hands of the user. Given this argument, ten participants felt the phrase should be deleted and replaced by more appropriate verbage.

Second, 18% of the critiques stated that the definition should not be limited to "cost related factors" only, but should also include mention of the risk factors contained in the guidelines.

Final Synthesized Definition. Two modifications are contained in the final definition. The word "ensures" is replaced by "provides" in agreement with the suggestions

submitted by the surveyees. Also, the phrase "and risk" is added as further edification of the factors considered in the weighted guidelines format.

A STRUCTURED APPROACH FOR DEVELOPING FEE AND PROFIT NEGOTIATION OBJECTIVES THAT PROVIDES CONSIDERATION OF THE RELATIVE VALUE OF APPROPRIATE COST AND RISK RELATED FACTORS.

General Comments

The final question contained within the survey solicits comments from the surveyees regarding the definitions contained within the survey along with any thoughts or opinions the participant has about the utility of a professional dictionary of contracting terminology. A majority of the responses were positive comments reflecting the usefulness that the respondents felt such a dictionary would have to the contracting community. Several suggested areas they felt should be addressed in addition to the basic definitions of each term. Some of these suggestions will be addressed in the final recommendations contained within the next chapter. The following list contains a paraphrased summary of the general comments received.

1. Contained within any dictionary should be a listing of the acronyms associated with different phrases and terms.
2. Statutory references, FAR and DFAR regulations and applicable legal cases should accompany each definition to aid the reader in his or her research of the subject area being investigated.
3. Establish a document which cuts across the artificial barriers established between the governmental contracting community and the private sector. Where appropriate, recognize that certain

definitions apply to both civilian industry and the government and should be worded in such a manner.

4. The need for standardization is paramount in a field as diverse and complex as contracting. Thorough consideration should be given to the role the publisher's aspire for a dictionary of procurement terms. Where ambiguities exist, will these definitions take precedence over definitions which have been established in other media?

Each of the comments described above suggest ways in which a future contracting lexicon might be of further assistance to the individual researching a particular term. Ultimately the scope of a potential dictionary will be left up to the individual or group that establishes the future format the dictionary might employ.

Summary

This chapter has presented an analysis of each of the terms presented for definition in Chapter III. The relevant issues were explored along with the rationale for the finalized definition. The terms selected for research have been examined and consensus meanings for each have been determined. The next chapter will address the conclusions reached as a result of the research conducted and recommend future areas of research which will contribute to the ultimate goal of developing a consolidated dictionary of contracting terms and phrases.

V. Conclusions and Recommendations

This chapter will discuss the results of the study conducted and the final conclusions and recommendations as they relate to attaining the objectives set forth in Chapter I. Specifically, the conclusions below will address the inclusion of the synthesized definitions into a professional dictionary of contracting terms. The recommendations sections will suggest further research which should be conducted and discuss recommendations the researcher and the respondents generated as a result of their involvement with this project. Finally, a brief summary of the chapter will be presented.

Conclusions

The conclusions embody the sequential organization of this research from a review of the literature regarding the history of the acquisition process to the utility of a professional dictionary to the field survey which was conducted to determine consensus definitions of the terms chosen for synthesis.

First, the history of contracting shows a steady development of the acquisition language as dictated by legislative doctrine passed by Congress. As the nation's budget, technology base, and political influence has expanded, so has the vernacular attributable to the various disciplines responsible for this expansion. Specifically,

the scope of the acquisition process has increased in conjunction with the country's growth into that of an economic power. As this growth has taken place, the vocabulary of contracting evolved to a point where the preponderance of terms drove the need for a reference document which could be used by the specialist and the neophyte in seeking out the meanings of terminology associated with the field. It is from the historical premise, more than any other, that the need for a professional dictionary has arisen.

Dictionaries serve a vital function within professions by drawing together the unique aspects of the language of a particular vocation and providing a consistent and precise meaning which all within the profession can use. This can be of particular use in those career areas in which communication plays a vital role such as the medical, legal, and education professions. Probably the most important attribute of a dictionary lies in its potential contribution to a field's body of knowledge. For those work areas striving to lift the stature of their chosen vocation, a workable knowledge base which is identifiable and recognizable serves to strengthen the case for professional recognition. Within this body of knowledge, a contingent of experienced and knowledgeable persons can aid in research which will chronicle a profession's sophistication.

The research contained herein was developed with the assistance of a group of professionals, namely the NCMA Fellows, which contributed to the validity of the data generated. Association representatives from within the National Aeronautics and Space Administration, DOD industries, the Department of Energy, State Government, the Army, Navy and Air Force established a cross section of the contracting community to review and validate the definitions synthesized for future use. The respondents had a combined experience total of 1869 years and an average experience level of 25 years. Approximately 70% of the respondents had earned an advance degree with the largest proportion (38%) having a Master's in Business Administration. Based on the quality of the expertise within the population surveyed, it was decided that the survey results reflected what could be considered a valid compilation of data from which conclusions could be drawn.

These conclusions resulted in definitions which the researcher feels exemplify consensus meanings for the terms chosen for research. By utilizing the methodology described in Chapter III, the definitions have been refined to reflect meanings in a concise, accurate, and thorough fashion. While each term was researched for literature containing definitions already developed, published sources for two of the phrases were unavailable insofar as the sources examined. The researcher attributed this lack of published

documentation to the terms' originality or uniqueness to the contracting field. The use of articles containing references to these terms and synonymous phrasing of these terms such as "scope" for "in scope" and "scope of work" was used to generate a definition to distribute to the survey population. In these cases, the usage of the term within the articles reviewed and in the daily language of the contracting field dictated the verbage used in the survey. Subsequent changes made as a result of comments submitted by the survey participants contributed to the final synthesized definitions for these two terms. All other terms reflect a combination of the definitions gathered from published sources and the comments received from the field for that specific term.

The definitions constitute an accurate reflection of the use of these terms in the contracting work environment which includes a wide array of specialized agencies and private industries dicussed previously. These definitions will enhance the understanding of those individuals entering the contracting career field and serve as a valuable reference document for all concerned with the contracting arena. In addition, these term meanings will serve as a baseline from which an individual can work and communicate on a common basis of understanding with his or her counterparts. In addition, it will serve the user in intelligently dealing with the assorted issues which arise and in compiling the

miles of documentation necessary in most procurement actions. In discussing the utility of a lexicon of terminology, it is useful to derive input from the potential users. The final question contained within the survey (See Appendix B) contained an open ended inquiry regarding general comments the respondents might have concerning the usefulness of a dictionary of contracting terms. Based on analysis (See Chapter IV) of the suggestions made by the participants in their responses to this question, a number of recommendations for future research surfaced and are contained in the next section.

Recommendations

The following recommendations are designed to compliment the conclusions set forth in the previous section and those suggested by the survey participants. The recommendations discussed below deal primarily with the content of a dictionary of contracting terminology versus a limited discussion of the definitions derived in Chapter IV of this thesis. They are designed to further the research conducted relative to a final document which enhances the understanding of contracting's distinctive terminology. The five recommendations below address the future use of the research findings of this study and areas of further research which should be conducted.

First, accept the definitions as synthesized (See Appendix D) and include each in a professional dictionary of

contracting terms. Having researched the available literature and surveyed a sampling of experts in the field, it is the opinion of the researcher that the definitions derived represent an accurate and exhaustive assessment of each term meaning.

Second, strive to standardize each term definition throughout industry and government sources based on the definitions contrived in this and future research. The primary emphasis of this work is to provide for a consolidation of the terms within contracting to alleviate the ambiguities and uncertainty which pervade the field today regarding the meanings of certain terms. On more than one occasion during review of the survey responses, practitioners indicated confusion as to the appropriate definition for a particular term because of the variations with which it had been used. A recognized and sanctioned definition for each contracting term would help to ameliorate this situation, and facilitate the efficiency and effectiveness of communication within the field.

Third, for each term contained within the dictionary of acquisition terms, cite appropriate reference sources such as Governmental regulations, statutes and court cases. The process of compiling a compendium of terms for the acquisition profession is complicated by the thousands of pieces of legislation, litigation, and regulation. This cannot be ignored in a reference document which purports to

be a thorough analysis of contracting terminology. It is suggested that research be carried out to review the legislation associated with the terms contained within the list of candidate terms.

Fourth, incorporate the list of terms contained in Appendix A of this document as additional terms to be defined. This list is comprised of terms suggested for inclusion by the survey respondents along with terms which the author noted as worthy of inclusion during the course of this research effort.

Fifth, include within the dictionary, an acronym listing. At least one survey participant suggested using the dictionary as a forum to discourage the use of acronyms. However, in the opinion of the researcher, this is an impractical proposal given the pervasiveness of acronyms within the military and the corporate structure. From personal experience, the author strongly encourages the use of a method by which a beginner can cross reference from an acronym he or she does not understand to the definition of the term.

Summary

Chapter V was designed to consolidate and present final conclusions and recommendations derived from the study conducted. The research has resulted in 25 synthesized definitions (See Appendix D) which have been reviewed and revised by a group of experts to arrive at consensus

meanings for these terms. These terms have evolved as a result of the expanding vocabulary of the contracting discipline and reveal the current usage within the acquisition field.

Appendix A: List of Candidate Terms

A majority of these terms were taken from the terms listed in Lieutenant Commander Ryan's thesis entitled A Dictionary of Acquisition and Contracting Terms. However, additional terms have been added and are recommended as candidate terms based on the literature reviewed and responses to questionnaires received.

Acquisition	Acquisition Plan
Acquisition Process	Acquisition Strategy
Allocable	Allocation
Allowable	Audit Trail
Bill of Materials (BOM)	Boiler Plate
Buy Out	Buying In
C-SPEC	Carrying Charges
Certificate of Competency	Certification
Change Order	Changes
Clause	Commercial Item Descriptions
Commercial Item	Competition
Competitive Range	Configuration Control/Management
Contract	Contract Administration
Contractor	Contracting
Contracting Officer	Cost
Cost Data	Cost Principles
Costing	Could Cost
Cut Off	Default
Defective Pricing	Delegation
Design Specification	Direct Costs
Direct Labor	Direct Material

Documentation	Economic Order Quantity (EOQ)
Effective Competition	Engineering Change Proposal
Express Contract	Fair & Reasonable
Fee	First Article
Forward Pricing	Full & Open Competition
Functional Specification	General & Administrative Expense (G&A)
General Scope	Government Furnished Equipment (GFE)
Government Title	Guarantee
Implied	Implied Contract
In Scope	Incentive
Indirect Costs	Indirect Material
Integration	Interim Pricing
Justification and Approval (J&A)	Leader/Follower
Learning Curve	Letter Contract
Liability	Life Cycle Cost
Logistics	Manufacturing
Manufacturing Resource Planning (MRP II)	Market Analysis
Market Survey	Materiality
Materials Management	Materials Requirements Planning (MRP)
Matrix Management	Moving Average Cost Method
Negotiation	Non Developmental Item (NDI)
Nonrecurring Costs	Offeror

Offset (legal)	Out of Scope
Overhead	Pass Through Charges
Patent	Post Award
Post Business Clearance	Post Negotiation Memorandum
Price	Pricing Data
Probable Cost	Procurement
Profit	Progress Payments
Proprietary Data	Provisioning
Prudent Business Man Concept	Purchasing
Quality	Reasonable
Recurring Costs	Request for Proposals
Request for Quotations	Requirements
Responsible	Responsive
Reverse Engineering	Risk
Scope of Work	Scrap
Should Cost	Small Business
Source Selection	Specification
Standard Cost Method	Statement Of Work
Technical Analysis	Termination for Convenience
Termination for Default	Transfers (material ownership)
Value (economic concept of the term)	Value Engineering
Warranty	Weighted Average Cost Method
Weighted Guidelines	Will Cost

Additional Terms

Access to Records
Actual Rates
Adequate Price Competition
Audit
Boards of Contract Appeals
Ceiling Price
Certification of Cost or Pricing Data
Cost Analysis
Developmental
Defective Pricing
Definitization
Dispute
Forward Pricing Rate Agreement (FPRA)
Imputed Cost
Offeror
Price Analysis
Producibility
Quote
Request for Audit
Single Source
Sole Source
Solicitation
Source Selection Advisory Council
Source Selection Authority
Source Selection Evaluation Board
Source Selection Plan
Supplemental Agreement
Value Engineering Change Proposal (VECP)

Appendix B: CONTRACTING TERMINOLOGY QUESTIONNAIRE

THE FOLLOWING QUESTIONNAIRE ADDRESSES TERMINOLOGY USED IN CONTRACTING AND LOGISTICS. THE PURPOSE OF THIS QUESTIONNAIRE IS TO SURVEY EXPERTS IN THE FIELD TO GAIN A CONSENSUS ON THE DEFINITION OF THE TERMS LISTED BELOW. THE AUTHOR HAS PROVIDED A SAMPLE DEFINITION BASED ON THE CONSOLIDATION OF ASCRIBED DEFINITIONS FOUND IN PUBLISHED DOCUMENTATION. THESE DEFINITIONS HAVE BEEN SYNTHESIZED INTO A NARRATIVE THAT REFLECTS THE MEANINGS CONVEYED IN THE PUBLISHED DOCUMENTS (FAR, DOD DIRECTIVES, FEDERAL STATUTES ETC.). IT IS ANTICIPATED THAT THIS RESEARCH WILL LEAD TO DEVELOPMENT OF A DICTIONARY OF CONTRACTING TERMS WHICH CAN BE DISSEMINATED AMONG CONTRACTING PROFESSIONALS. ITS PURPOSE IS TO ESTABLISH A BASELINE OF EXPRESSION WHICH BOTH THE PROFESSIONAL AND LAYMAN CAN USE. PLEASE REVIEW EACH DEFINITION AND PROVIDE ANY COMMENTS WHICH WILL ENHANCE THE OVERALL UNDERSTANDING OF THE TERM IN QUESTION. ANY TERMS WHICH CAN BE RELATED AS SYNONYMS OR ANTONYMS SHOULD BE ANNOTATED IN THE SPACES PROVIDED. THE PHRASES BELOW ARE NOT AN ALL-INCLUSIVE LISTING OF THE PROPOSED DICTIONARY CONTENT, BUT MERELY A SUBSET OF ONGOING RESEARCH TO ULTIMATELY PROVIDE A COMPREHENSIVE LEXICON OF ACQUISITION TERMINOLOGY.

REQUEST RESPONSES BE SUBMITTED BY 7 JULY 1989

ACQUISITION PLAN

A DOCUMENT WHICH FORMALIZES AND STATES THE OVERALL STRATEGY FOR MANAGING THE ACQUISITION OF GOODS OR SERVICES BY DOCUMENTING THE REQUIREMENT (ESTIMATES OF COST, RECOMMENDED CONTRACT TYPE, FUNDING PLAN ETC.), RECORDING PROGRAM DECISIONS, PROVIDING THE ANALYSIS OF TECHNICAL OPTIONS, PLANS FOR OBTAINING COMPETITION, PROCUREMENT TEAM/ORGANIZATION AND, IN THE CASE OF HARDWARE, LIFE CYCLE PLANNING FOR DEVELOPMENT, PROCUREMENT, PRODUCTION, TRAINING AND SUPPORT OF MATERIEL ITEMS.

SYNONYMS: PROGRAM MASTER PLAN, PROCUREMENT PLAN, ACQUISITION STRATEGY

COMMENTS: _____

SYNONYMS: _____

ANTONYM: _____

ALLOWABLE COST

A COST, EITHER DIRECT OR INDIRECT, WHICH, IF IN AGREEMENT WITH PUBLISHED COST PRINCIPLES, MAY BE ALLOCATED AND DEEMED REIMBURSABLE UNDER A GOVERNMENT COST-REIMBURSABLE CONTRACT.

ANTONYM: UNALLOWABLE COST

COMMENTS: _____

SYNONYMS: _____

ANTONYMS: _____

COST OR PRICING DATA

ALL FACTUAL OR VERIFIABLE RECORDED INFORMATION AS OF THE
TIME OF PRICE AGREEMENT THAT PRUDENT BUYERS AND SELLERS
WOULD REASONABLY EXPECT TO AFFECT PRICE NEGOTIATIONS.

COMMENTS: _____

SYNONYMS: _____

ANTONYMS: _____

COMPETITIVE RANGE

THOSE OFFERORS WHOSE RESPONSES MEET THE MINIMUM REQUIREMENTS
OF THE GOVERNMENT'S SOLICITATION AS DETERMINED BY THE
GOVERNMENT'S EVALUATION OF TECHNICAL, MANAGEMENT AND PRICE
CONSIDERATIONS AND OTHER STATED SALIENT FACTORS.

COMMENTS: _____

SYNONYMS: _____

ANTONYMS: _____

DESIGN SPECIFICATION

A DOCUMENT (INCLUDING DRAWINGS) SETTING FORTH THE REQUIRED CHARACTERISTICS OF A PARTICULAR COMPONENT, PART, SUBSYSTEM, SYSTEM OR CONSTRUCTION ITEM WITH SUFFICIENT DETAIL TO SHOW HOW THE PRODUCT IS TO BE MANUFACTURED AND TESTED.

SYNONYM: DETAILED SPECIFICATION

ANTONYM: PERFORMANCE OR FUNCTIONAL SPECIFICATION

COMMENTS: _____

SYNONYMS: _____

ANTONYMS: _____

EFFECTIVE COMPETITION

A MARKET CONDITION WHICH EXISTS WHEN TWO OR MORE RESPONSIBLE OFFERORS ACTING INDEPENDENTLY CONTEND FOR A GOVERNMENT CONTRACT WHICH RESULTS IN THE GOVERNMENT RECEIVING EITHER (1) THE LOWEST COST OR PRICE ALTERNATIVE OR (2) THE BEST TECHNICAL DESIGN COUPLED WITH A COST EFFECTIVE PRICE.

COMMENTS: _____

SYNONYMS: _____

ANTONYMS: _____

FAIR & REASONABLE

A SUBJECTIVE EVALUATION OF WHAT TWO PARTIES EACH DEEM AS
EQUITABLE CONSIDERATION IN THE AREAS OF TERMS AND
CONDITIONS, COST OR PRICE, ASSURED QUALITY AND TIMELINESS OF
CONTRACT PERFORMANCE ETC.

SYNONYM: EQUITABLE, ACCEPTABLE

ANTONYM: UNREASONABLE

COMMENTS: _____

SYNONYMS: _____

ANTONYMS: _____

FIRST ARTICLE

A MODEL, UNIT, LOT, OR SAMPLE USED FOR TESTING AND
DETERMINING CONFORMANCE TO SPECIFIED CONTRACT REQUIREMENTS
BEFORE OR IN THE INITIAL STAGE OF PRODUCTION OF A CONTRACT.
CAN BE REFERRED TO AS **SYNONYMS:** PREPRODUCTION MODEL,
INITIAL PRODUCTION SAMPLE, TEST SAMPLE, PROTOTYPES, FIRST
LOTS, PILOT MODELS, PILOT LOTS.

COMMENTS: _____

SYNONYMS: _____

ANTONYMS: _____

FORWARD PRICING

ACTION INVOLVING NEGOTIATIONS AND A RESULTANT AGREEMENT BETWEEN A CONTRACTOR AND THE GOVERNMENT TO USE CERTAIN RATES (LABOR, INDIRECT, MATERIALS ETC.) AND INDICES FOR A SPECIFIED FUTURE PERIOD OF TIME IN PRICING CONTRACTS OR CONTRACT MODIFICATIONS.

ANTONYMS: ACTUAL OR FINAL COST DETERMINATION

COMMENTS: _____

SYNONYMS: _____

ANTONYMS: _____

GOVERNMENT - FURNISHED PROPERTY

ITEMS IN THE POSSESSION OF OR ACQUIRED BY THE GOVERNMENT AND SUBSEQUENTLY MADE AVAILABLE TO THE CONTRACTOR TO FULFILL THE REQUIREMENTS OF A CONTRACT.

ANTONYM: CONTRACTOR - ACQUIRED PROPERTY

COMMENTS: _____

SYNONYMS: _____

ANTONYMS: _____

IN SCOPE

PHRASE USED TO DENOTE THAT AN ACTION PERFORMED OR REQUESTED TO BE PERFORMED BY A CONTRACTOR FOR THE GOVERNMENT COULD REASONABLY BE CONSIDERED TO BE WITHIN THE REQUIREMENTS OF THE CONTRACT.

COMMENTS:

SYNONYMS:

ANTONYMS:

LETTER CONTRACT

A PRELIMINARY, WRITTEN CONTRACTUAL INSTRUMENT, HISTORICALLY IN LETTER FORM, THAT AUTHORIZES THE CONTRACTOR TO COMMENCE WORK, INCUR COSTS AND MAKE COMMITMENTS PENDING DEFINITIZATION (USUALLY WITHIN SIX MONTHS) OF A FIXED-PRICE OR COST-REIMBURSEMENT PRICING ARRANGEMENT FOR THE WORK TO BE DONE. USED WHEN IT IS NOT POSSIBLE TO NEGOTIATE A DEFINITIVE CONTRACT IN SUFFICIENT TIME TO MEET THE PROCUREMENT NEED.

SYNONYM: UNPRICED CHANGE ORDER

ANTONYM: PRICED CONTRACT OR SUPPLEMENTAL AGREEMENT

COMMENTS:

SYNONYMS:

ANTONYMS:

MANUFACTURING RESOURCE PLANNING

A PRODUCTION PLANNING AND CONTROL SYSTEM USED TO SCHEDULE PRODUCTION JOBS, PURCHASE MATERIALS, CHECK CAPACITY REQUIREMENTS, FORECAST PRODUCT DEMANDS, AND REDIRECT MATERIAL SUPPLIES IN THE FACE OF CHANGING SCHEDULES.

SYNONYM: MATERIAL MANAGEMENT AND ACCOUNTING SYSTEM
MATERIAL REQUIREMENTS PLANNING

COMMENTS: _____

SYNONYMS: _____

ANTONYMS: _____

MARKET SURVEY

PROCESS OF ATTEMPTING, THROUGH VERBAL OR WRITTEN MEANS, TO IDENTIFY AND ASCERTAIN WHETHER QUALIFIED SOURCES EXIST WHICH ARE CAPABLE OF SATISFYING THE GOVERNMENT'S REQUIREMENT.

COMMENTS: _____

SYNONYMS: _____

ANTONYMS: _____

NON-DEVELOPMENTAL ITEM

A GENERIC TERM DESCRIBING EITHER A COMMERCIAL PRODUCT OR AN ITEM WHICH HAS BEEN PREVIOUSLY DEVELOPED AND USED BY ANOTHER SERVICE, COUNTRY, OR GOVERNMENT AGENCY. CAN ALSO APPLY TO AN ITEM OF SUPPLY CURRENTLY BEING PRODUCED THAT DOES NOT MEET THE REQUIREMENTS ABOVE SOLELY BECAUSE THE ITEM IS NOT YET IN USE OR IS NOT YET AVAILABLE IN THE COMMERCIAL MARKETPLACE.

SYNONYM: OFF-THE SHELF

COMMERCIAL PRODUCT

ANTONYM: GOVERNMENT UNIQUE, GOVERNMENT PECULIAR

COMMENTS: _____

SYNONYMS: _____

ANTONYMS: _____

"PRUDENT BUSINESS-MAN CONCEPT"

PHRASE USED AS A MEASURE OF REASONABLENESS IN ASSESSING AN OFFER OR COUNTER-OFFER. RELATED TO MAKING A PROCUREMENT DECISION BASED ON SOUND FIDUCIARY OR BUSINESS PRINCIPLES.

COMMENTS: _____

SYNONYMS: _____

ANTONYMS: _____

REQUEST FOR PROPOSAL

A DOCUMENT USED IN NEGOTIATED PROCUREMENTS FOR THE PURPOSE OF SOLICITING A PROPOSAL FROM AN OFFEROR; USUALLY CONTAINS (IF APPLICABLE) A DESCRIPTION OF THE ITEM OR SERVICE, THE TERMS AND CONDITIONS, THE TYPE OF CONTRACT, A SCHEDULE, A STATEMENT OF WORK, TIME AND PLACE OF DELIVERY, METHOD OF SHIPMENT, PACKAGING AND INSTRUCTION MANUAL REQUIREMENTS, MATERIALS TO BE FURNISHED, REPRESENTATIONS AND CERTIFICATIONS AND PROPOSAL PREPARATION INSTRUCTIONS. MAY OR MAY NOT CONTAIN A REQUEST FOR PRICING.

COMMENTS: _____

SYNONYMS: _____

ANTONYMS: _____

REQUEST FOR QUOTATION

A FORM OF INFORMAL SOLICITATION, INCLUDING OBTAINING ORAL OR WRITTEN QUOTES FROM VENDORS, WITHOUT FORMAL ADVERTISING AND RECEIPT OF SEALED BIDS. A REQUEST FOR INFORMATION WHICH DOES NOT DENOTE A BINDING COMMITMENT FROM THE SUBMITTING FIRM.

COMMENTS: _____

SYNONYMS: _____

ANTONYMS: _____

REVERSE ENGINEERING

PROCESS WHEREBY A PRODUCT IS ANALYZED TO DETERMINE THE COMPOSITION OF ITS VARIOUS DESIGN ELEMENTS FOR THE PURPOSE OF PRODUCING A LIKE PRODUCT OR PARTICULAR PERFORMANCE CAPABILITY.

SYNONYM: COPYCAT ENGINEERING

ANTONYM: ORIGINAL DESIGN

COMMENTS: _____

SYNONYMS: _____

ANTONYMS: _____

SCOPE OF WORK

TERM USED WHEN REFERRING TO THE RANGE OF WORK TO BE PERFORMED BY A CONTRACTOR IN FULFILLMENT OF A PARTICULAR CONTRACTUAL REQUIREMENT. USUALLY DESIGNATED IN THE STATEMENT OF WORK AS "WORK TO BE ACCOMPLISHED". (SEE STATEMENT OF WORK)

SYNONYM: WORK STATEMENT

COMMENTS: _____

SYNONYMS: _____

ANTONYMS: _____

SOURCE SELECTION

THE PROCESS WHEREIN THE REQUIREMENTS, FACTS CONCERNING POTENTIAL OFFERS, AND POLICIES APPLICABLE TO A COMPETITIVE AWARD DECISION OF A SYSTEM/PROJECT ARE EXAMINED BY EVALUATORS WHOSE SUBSEQUENT RECOMMENDATIONS (BASED ON AN INTEGRATED ASSESSMENT) FOR THE FINAL AWARD DECISION ARE THEN FORWARDED TO THE SELECTION AUTHORITY.

COMMENTS: _____

SYNONYMS: _____

ANTONYMS: _____

STATEMENT OF WORK

THE SECTION OF A REQUEST FOR PROPOSAL OR CONTRACT THAT DEFINES AND/OR DESCRIBES THE WORK WHICH THE REQUIRING ORGANIZATION WANTS THE CONTRACTOR TO PERFORM.

SYNONYM: WORK STATEMENT, PURCHASE DESCRIPTION
SPECIFICATION

COMMENTS: _____

SYNONYMS: _____

ANTONYMS: _____

TECHNICAL ANALYSIS

EVALUATION, ORDINARILY CONDUCTED BY ENGINEERING, TECHNICAL OR SPECIALIZED PERSONNEL, OF THE (1) REQUISITE TECHNICAL AND MANAGERIAL QUALIFICATIONS OF A CONTRACTOR TO PERFORM A PARTICULAR CONTRACT REQUIREMENT (2) APPLICABILITY/SUFFICIENCY OF THE TECHNICAL SOLUTION PROPOSED TO FULFILL THE CONTEMPLATED CONTRACT REQUIREMENTS.

SYNONYM: TECHNICAL EVALUATION

COMMENTS: _____

SYNONYMS: _____

ANTONYMS: _____

VALUE ENGINEERING

AN ORGANIZED EFFORT CONCERNED WITH THE ELIMINATION OR MODIFICATION OF ANYTHING THAT CONTRIBUTES TO THE ACQUISITION, OPERATION OR SUPPORT COST OF AN ITEM OR TASK BUT IS NOT NECESSARY FOR NEEDED PERFORMANCE, QUALITY, MAINTAINABILITY, RELIABILITY OR INTERCHANGEABILITY.

SYNONYM: VALUE ANALYSIS, COST AVOIDANCE

COMMENTS: _____

SYNONYMS: _____

ANTONYMS: _____

WEIGHTED GUIDELINES

A STRUCTURED APPROACH FOR DEVELOPING FEE AND PROFIT
NEGOTIATION OBJECTIVES THAT ENSURES CONSIDERATION OF THE
RELATIVE VALUE OF APPROPRIATE COST RELATED FACTORS.

COMMENTS: _____

SYNONYMS: _____

ANTONYMS: _____

APPENDIX C: PUBLISHED DEFINITIONS OF TERMINOLOGY

ACQUISITION PLAN

- A DOCUMENT WHICH RECORDS PROGRAM DECISIONS, CONTAINS THE REQUIREMENT, PROVIDES THE APPROPRIATE ANALYSIS OF TECHNICAL OPTIONS AND THE LIFE CYCLE PLANS FOR DEVELOPMENT, PRODUCTION, TRAINING AND SUPPORT OF MATERIEL ITEMS

Jones, Wilbur D. et al. Glossary: Acquisition Management Acronyms and Terms. Fort Belvoir VA: Department of Defense Systems Management College, 1985.

- THE PROCESS BY WHICH THE EFFORTS OF ALL PERSONNEL RESPONSIBLE FOR AN ACQUISITION ARE COORDINATED AND INTEGRATED THROUGH A COMPREHENSIVE PLAN FOR FULFILLING THE AGENCY NEED IN A TIMELY MANNER AND AT A REASONABLE COST. IT INCLUDES DEVELOPING THE OVERALL STRATEGY FOR MANAGING THE ACQUISITION.

U.S. Government. Federal Acquisition Regulation. Washington: Government Printing Office, 1 April 1984.

Braden, Captain William K. AFIT Training Manual Definitions. Air Force Institute of Technology (AU), Wright-Patterson AFB OH, March 1989.

ALLOWABLE COST

- A COST , EITHER DIRECT OR INDIRECT, WHICH MAY BE ALLOCATED TO A GOVERNMENT COST-BASED CONTRACT.

Braden, Captain William K. AFIT Training Manual Definitions. Air Force Institute of Technology (AU), Wright-Patterson AFB OH, March 1989.

- THAT PORTION OF COSTS, INCLUDING OVERHEAD, RECOGNIZED AS REIMBURSABLE IS CALLED ALLOWABLE FOR THE PURPOSE OF COSTING GOVERNMENT CONTRACTS.

"National Estimating Society Dictionary Dictionary,"
Journal of National Estimating Society - Special
Edition, 3: 1-122 (Summer 1982).

- A COST IS ALLOWABLE IF IT MEETS THE TESTS OF REASONABLENESS AND ALLOCABILITY, IS IN CONSONANCE WITH STANDARDS PROMULGATED BY THE COST ACCOUNTING STANDARDS BOARD (IF APPLICABLE), OR OTHERWISE CONFORMS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES, SPECIFIC LIMITATIONS OR EXCLUSIONS SET FORTH IN PART 31, OR AGREED-TO-TERMS BETWEEN CONTRACTUAL PARTIES.

Department of Defense. Armed Services Pricing
Manual. ASPM No. 1. Washington: Government Printing
Office, 1986.

COMPETITIVE RANGE

- THE METHOD OF GROUPING ACCEPTABLE PROPOSALS IN A "COMPETITIVE RANGE" PRIOR TO GIVING THE OFFERORS AN OPPORTUNITY TO FURTHER DISCUSS THEIR PROPOSALS. PROPOSALS NOT IN THE COMPETITIVE RANGE ARE UNACCEPTABLE AND NOT CONSIDERED FURTHER.

Lehmann, Brent D. et al. Dictionary of Purchasing
Terms (Fourth Edition). Falls Church, VA: The National
Institute of Governmental Purchasing Inc., 1986.

- THE RANGE OF PROPOSALS THAT STAND A REASONABLE CHANCE OF BEING SELECTED FOR FINAL AWARD.

- A RANGE APPROPRIATE TO THE POSTEVALUATION, PREAWARD PHASE OF NEGOTIATED PROCUREMENTS. DETERMINED BY THE CONTRACTING OFFICER OR SOURCE SELECTION BOARD ON THE BASIS OF PRICE, COST, OR TECHNICAL AND OTHER SALIENT FACTORS.

Braden, Captain William K. AFIT Training Manual Definitions. Air Force Institute of Technology (AU), Wright-Patterson AFB OH, March 1989.

- A TECHNIQUE USED IN THE SOURCE - SELECTION PROCESS TO ELIMINATE CERTAIN CONTRACTORS WHO DO NOT MEET MINIMUM REQUIREMENTS. THE COMPETITIVE RANGE IS DETERMINED BY THE CUSTOMER ON THE BASIS OF TECHNICAL, MANAGEMENT OR PRICE CONSIDERATIONS AND OTHER SALIENT FACTORS.

"National Estimating Society Dictionary Dictionary," Journal of National Estimating Society - Special Edition, 3: 1-122 (Summer 1982).

- A RANGE APPROPRIATE TO THE POSTEVALUATION, PREAWARD PHASE OF COMPETITIVE PROCUREMENTS. DETERMINED BY THE CONTRACTING OFFICER ON THE BASIS OF PRICE, COST, OR TECHNICAL AND OTHER SALIENT FACTORS. UNLESS EXCEPTED BY CIRCUMSTANCES PRESCRIBED BY REGULATIONS, THE CONTRACTING OFFICER MUST CONDUCT WRITTEN OR ORAL DISCUSSIONS WITH ALL RESPONSIBLE OFFERORS WHO SUBMIT PROPOSALS WITHIN THE COMPETITIVE RANGE.

Department of Defense. Armed Services Pricing Manual. ASPM No. 1. Washington: Government Printing Office, 1986.

- A RANGE OF PROPOSALS DETERMINED ON THE BASIS OF COST OR PRICE AND OTHER FACTORS THAT WERE STATED IN THE SOLICITATION AND SHALL INCLUDE ALL PROPOSALS THAT HAVE A REASONABLE CHANCE OF BEING SELECTED FOR AWARD. WHEN THERE IS DOUBT AS TO WHETHER A PROPOSAL IS IN THE COMPETITIVE RANGE, THE PROPOSAL SHOULD BE INCLUDED. THE CONTRACTING OFFICER SHALL DETERMINE WHICH PROPOSALS ARE IN THE COMPETITIVE RANGE FOR THE PURPOSE OF CONDUCTING WRITTEN OR ORAL DISCUSSION.

U.S. Government. Federal Acquisition Regulation. Washington: Government Printing Office, 1 April 1984.

COST OR PRICING DATA

- (COST AND PRICING DATA) ALL FACTS AS OF THE TIME OF PRICE AGREEMENT THAT PRUDENT BUYERS AND SELLERS WOULD REASONABLY EXPECT TO AFFECT PRICE NEGOTIATION SIGNIFICANTLY.

Braden, Captain William K. AFIT Training Manual Definitions. Air Force Institute of Technology (AU), Wright-Patterson AFB OH, March 1989.

- DATA CONSISTING OF ALL FACTS EXISTING UP TO THE TIME OF AGREEMENT ON PRICE, WHICH PRUDENT BUYERS AND SELLERS WOULD REASONABLY EXPECT TO HAVE SIGNIFICANT EFFECT ON PRICE NEGOTIATIONS. BEING FACTUAL, THESE DATA ARE TYPES OF INFORMATION THAT CAN BE VERIFIED. THEY DO NOT REFLECT ON THE ACCURACY OF THE CONTRACTOR'S JUDGMENT ABOUT ESTIMATED FUTURE COSTS OR PROJECTIONS; THEY DO, HOWEVER, REFLECT ON THE DATA UPON WHICH THE CONTRACTOR BASED ITS JUDGMENT.

Department of Defense. Armed Services Pricing Manual. ASPM No. 1. Washington: Government Printing Office, 1986.

- ALL FACTS AS OF THE DATE OF PRICE AGREEMENT THAT PRUDENT BUYERS AND SELLERS WOULD REASONABLY EXPECT TO AFFECT PRICE NEGOTIATIONS SIGNIFICANTLY. COST OR PRICING DATA ARE FACTUAL, NOT JUDGMENTAL, ARE VERIFIABLE. THEY DO NOT INDICATE THE ACCURACY OF THE PROSPECTIVE CONTRACTOR'S JUDGMENT ABOUT ESTIMATED FUTURE COSTS OR PROJECTIONS, THEY DO INCLUDE THE DATA FORMING THE BASIS FOR THAT JUDGMENT. COST OR PRICING DATA ARE MORE THAN HISTORICAL ACCOUNTING DATA; THEY ARE ALL THE FACTS THAT CAN BE REASONABLY EXPECTED TO CONTRIBUTE TO THE SOUNDNESS OF ESTIMATES OF FUTURE COSTS AND TO THE VALIDITY OF DETERMINATION OF COSTS ALREADY INCURRED. THEY ALSO INCLUDE SUCH FACTORS AS (A) VENDOR QUOTATIONS; (B) NONRECURRING COSTS; (C) INFORMATION ON CHANGES IN PRODUCTION METHODS AND IN PRODUCTION OR PURCHASING VOLUME; (D) DATA SUPPORTING PROJECTIONS OF BUSINESS PROSPECTS AND RELATED OPPORTUNITY COSTS; (E) UNIT-COST TRENDS SUCH AS THOSE ASSOCIATED WITH LABOR EFFICIENCY; (F) MAKE-OR-BUY DECISIONS; (G) ESTIMATED RESOURCES TO ATTAIN BUSINESS GOALS; AND (H) INFORMATION ON MANAGEMENT DECISIONS THAT COULD HAVE A SIGNIFICANT BEARING ON COSTS.

U.S. Government. Federal Acquisition Regulation. Washington: Government Printing Office, 1 April 1984.

DESIGN SPECIFICATION

- A SPECIFICATION SETTING FORTH THE REQUIRED CHARECTERISTICS TO BE CONSIDERED FOR AWARD OF CONTRACT AND INCLUDING SUFFICIENT DETAIL TO SHOW HOW THE PRODUCT IS TO BE MANUFACTURED.

Lehmann, Brent D. et al. Dictionary of Purchasing Terms (Fourth Edition). Falls Church, VA: The National Institute of Governmental Purchasing Inc., 1986.

- DOCUMENTS THAT CONTROL THE DESIGN, CONSTRUCTION, AND DEMONSTRATIONS OF NAVAL AIRCRAFT, WEAPON SYSTEMS, AND THEIR COMPONENTS.

Compendium of Authenticated Systems and Logistics Terms. Definitions, and Acronyms. Air Force Institute of Technology (AU), Wright-Patterson FB OH (AD-

- A DOCUMENT PRESCRIBING CRITERIA TO BE SATISFIED IN DESIGNING A PARTICULAR COMPONENT, PART, SUBSYSTEM, OR SYSTEM; TYPICAL CRITERIA INCLUDE PERFORMANCE REQUIREMENTS UNDER SPECIFIED ENVIRONMENTS, SIZE, WEIGHT, RUGGEDNESS ETC.

"National Estimating Society Dictionary Dictionary," Journal of National Estimating Society - Special Edition, 3: 1-122 (Summer 1982).

EFFECTIVE COMPETITION

- (COMPETITION) ADEQUATE PRICE COMPETITION IS ASSUMED TO EXIST IF (1) OFFERS ARE SOLICITED (2) AT LEAST TWO RESPONSIBLE OFFERORS INDEPENDENTLY CONTEND FOR FOR THE CONTRACT BY SUBMITTING OFFERS THAT CAN MEET THE SOLICITATION REQUIREMENTS, AND (3) THE CONTRACT IS AWARDED TO THE OFFEROR MEETING THE ABOVE CRITERIA AND SUBMITTING THE LOWEST EVALUATED PRICE.

IN THE CONTEXT OF COMPETITIVE PROPOSALS, TECHNICAL, DESIGN, OR OTHER NONPRICE COMPETITION EXISTS WHEN COMPETITION IS NOT BASED TO A SIGNIFICANT EXTENT ON THE LOWEST PRICE, BUT RATHER ON THE HIGHEST DEMONSTRATED COMPETENCE OR TECHNICAL CAPABILITY OR ON THE BEST DESIGN PROPOSAL. FOR EXAMPLE, SUCH NONPRICE COMPETITION IS TYPICAL

ON RESEARCH AND DEVELOPMENT CONTRACTS BECAUSE COSTS CANNOT BE ACCURATELY ESTIMATED.

Braden, Captain William K. AFIT Training Manual Definitions. Air Force Institute of Technology (AU), Wright-Patterson AFB OH, March 1989.

- IS A MARKET CONDITION WHICH EXISTS WHEN TWO OR MORE CONTRACTORS, ACTING INDEPENDENTLY, ACTIVELY CONTEND FOR THE GOVERNMENT'S BUSINESS IN A MANNER WHICH ENSURES THAT THE GOVERNMENT WILL BE OFFERED THE LOWEST COST OR PRICE ALTERNATIVE OR BEST TECHNICAL DESIGN MEETING ITS MINIMUM NEEDS.

U.S. Government. Federal Acquisition Regulation. Washington: Government Printing Office, 1 April 1984.

FAIR & REASONABLE

- A PRICE THAT IS FAIR TO BOTH PARTIES, CONSIDERING THE AGREED UPON CONDITIONS, PROMISED QUALITY, AND TIMELINESS OF CONTRACT PERFORMANCE. ALTHOUGH GENERALLY A FAIR AND REASONABLE PRICE IS A FUNCTION OF THE LAW OF SUPPLY AND DEMAND, THERE ARE STATUTORY, REGULATORY AND JUDGMENTAL LIMITS ON THE CONCEPT.

Department of Defense. Armed Services Pricing Manual. ASPM No. 1. Washington: Government Printing Office, 1986.

FIRST ARTICLE

- USED TO IDENTIFY A MODEL, INITIAL PRODUCTION SAMPLE, TEST SAMPLE. FIRST LOT, OR PILOT MODEL PRODUCED BY A CONTRACTOR . OFTEN USED TO SPECIFY THE TESTING AND EVALUATING REQUIREMENT OF A CONTRACT.

Lehmann, Brent D. et al. Dictionary of Purchasing Terms (Fourth Edition). Falls Church, VA: The National Institute of Governmental Purchasing Inc., 1986.

- INCLUDES PREPRODUCTION MODELS, INITIAL PRODUCTION SAMPLES, TEST SAMPLES, FIRST LOTS, PILOT MODELS, AND PILOT LOTS; AND APPROVAL INVOLVES TESTING AND EVALUATING THE FIRST ARTICLE FOR CONFORMANCE WITH SPECIFIED CONTRACT REQUIREMENTS BEFORE OR IN THE INITIAL STAGE OF PRODUCTIONS OF A CONTRACT. (DAC 76-6)

Compendium of Authenticated Systems and Logistics Terms. Definitions, and Acronyms. Air Force Institute of Technology (AU), Wright-Patterson FB OH (AD-

- MEANS PREPRODUCTION MODELS, INITIAL PRODUCTION SAMPLES, TEST SAMPLES, FIRST LOTS, PILOT LOTS AND PILOT MODELS.

U.S. Government. Federal Acquisition Regulation. Washington: Government Printing Office, 1 April 1984.

- A FIRST ARTICLE INCLUDES PRODUCTION SAMPLES, PREPRODUCTION SAMPLES, PREPRODUCTION MODELS, TEST SAMPLES, TEST LOTS, PILOT MODELS, AND PILOT LOTS. APPROVAL OF THE FIRST ARTICLE INCLUDES TESTING AND EVALUATION THE ARTICLE FOR CONFORMANCE WITH SPECIFIED CONTRACT REQUIREMENTS BEFORE OR IN THE INITIAL STAGE OF PRODUCTION UNDER A CONTRACT. OFTEN CALLED A PREPRODUCTION SAMPLE, WHICH MUST BE APPROVED BEFORE PRODUCTION IS ALLOWED TO CONTINUE.

Gibson, Gaynor A. Dictionary of Procurement Terms, (1961).

FORWARD PRICING

- A WRITTEN UNDERSTANDING NEGOTIATED BETWEEN A CONTRACTOR AND THE GOVERNMENT TO USE CERTAIN RATES (E.G., LABOR, INDIRECT, MATERIALS ETC.) FOR A SPECIFIES PERIOD OR TIME IN PRICING CONTRACTS OR CONTRACT MODIFICATIONS.

"National Estimating Society Dictionary Dictionary," Journal of National Estimating Society - Special Edition, 3: 1-122 (Summer 1982).

- (PRICING ARRANGEMENT) AN AGREED-TO-BASIS BETWEEN CONTRACTUAL PARTIES FOR THE PAYMENT OF AMOUNTS FOR SPECIFIED PERFORMANCE. USUALLY EXPRESSED IN TERMS OF A SPECIFIC COST-REIMBURSEMENT OR FIXED-PRICE TYPE ARRANGEMENT.

Department of Defense. Armed Services Pricing Manual. ASPM No. 1. Washington: Government Printing Office, 1986.

GOVERNMENT - FURNISHED PROPERTY

- MEANS PROPERTY IN THE POSSESSION OF OR DIRECTLY ACQUIRED BY THE GOVERNMENT AND SUBSEQUENTLY MADE AVAILABLE TO THE CONTRACTOR.

U.S. Government. Federal Acquisition Regulation. Washington: Government Printing Office, 1 April 1984.

- MATERIAL OR EQUIPMENT PROVIDED BY THE GOVERNMENT TO A CONTRACTOR, TO BE INCORPORATED OR ATTACHED TO AN END PRODUCT TO BE DELIVERED TO THE GOVERNMENT.

"National Estimating Society Dictionary Dictionary," Journal of National Estimating Society - Special Edition, 3: 1-122 (Summer 1982).

- ITEMS IN THE POSSESSION OF, OR ACQUIRED BY, THE GOVERNMENT AND DELIVERED TO OR OTHERWISE MADE AVAILABLE TO THE CONTRACTOR.

Jones, Wilbur D. et al. Glossary: Acquisition Management Acronyms and Terms. Fort Belvoir VA: Department of Defense Systems Management College, 1985.

- PROPERTY IN THE POSSESSION OF, OR ACQUIRED DIRECTLY BY , THE GOVERNMENT AND SUBSEQUENTLY DELIVERED OR OTHERWISE MADE AVAILABLE TO THE CONTRACTOR. IT INCLUDES, BUT IS NOT LIMITED TO, RAW AND PROCESSED MATERIAL, PARTS, COMPONENTS, ASSEMBLIES, AND SMALL HAND TOOL AND SUPPLIES WHICH MAY BE CONSUMED IN NORMAL USE IN THE PERFORMANCE OF THE CONTRACT.

Gibson, Gaynor A. Dictionary of Procurement Terms, (1961).

IN SCOPE

- (GENERAL SCOPE) WHAT SHOULD BE REGARDED AS FAIRLY AND REASONABLY WITHIN THE CONTEMPLATION OF THE PARTIES WHEN THE CONTRACT WAS ENTERED INTO.

Wehrle-Einhorn, Robert J. Government Contract Law. Air Force Institute of Technology (AU), Wright-Patterson AFB OH, 1988.

LETTER CONTRACT

- A WRITTEN PRELIMINARY CONTRACTUAL INSTRUMENT THAT AUTHORIZES IMMEDIATE COMMENCEMENT OF MANUFACTURE OF SUPPLIES OR PERFORMANCE OF SERVICES, INCLUDING, BUT NOT LIMITED TO, PREPRODUCTION PLANNING AND THE PROCUREMENT OF NECESSARY MATERIALS.

Compendium of Authenticated Systems and Logistics Terms. Definitions, and Acronyms. Air Force Institute of Technology (AU), Wright-Patterson AFB OH (AD-

- A WRITTEN PRELIMINARY CONTRACTUAL INSTRUMENT THAT AUTHORIZES THE IMMEDIATE START OF ACTIVITY UNDER ITS TERMS AND CONDITIONS, PENDING DEFINITION OF A FIXED-PRICE OR COST-REIMBURSEMENT PRICING ARRANGEMENT FOR THE WORK TO BE DONE.

Braden, Captain William K. AFIT Training Manual Definitions. Air Force Institute of Technology (AU), Wright-Patterson AFB OH, March 1989.

- A PRELIMINARY CONTRACT WITH OR WITHOUT A TENTATIVE PRICE OR SPECIFIC AMOUNT AGREED TO AND WITH SUCH OTHER BASIC TERMS SET FORTH AS CAN BE AGREED TO AT THE TIME. IT AUTHORIZES THE CONTRACTOR TO COMMENCE WORK, INCUR COSTS, AND MAKE COMMITMENTS PENDING NEGOTIATION AND EXECUTION OF THE FINAL DEFINITIVE CONTRACT. IT OBLIGATES THE CUSTOMER TO MAKE EITHER A FINAL DEFINITIVE CONTRACT WITHIN A SPECIFIED TIME, OR TO REIMBURSE THE CONTRACTOR FOR COSTS INCURRED UNDER THE LETTER OF THE CONTRACT. THE LETTER CONTRACT IS SUPERSEDED AS SOON AS POSSIBLE BY A FINAL DEFINITIVE CONTRACT.

"National Estimating Society Dictionary Dictionary,"
Journal of National Estimating Society - Special
Edition, 3: 1-122 (Summer 1982).

- A WRITTEN PRELIMINARY CONTRACTUAL INSTRUMENT THAT AUTHORIZES THE CONTRACTOR TO BEGIN IMMEDIATELY MANUFACTURING SUPPLIES OR PERFORMING SERVICES. IT MAY BE USED WHEN THE BUYER'S INTERESTS DEMAND THAT THE CONTRACTOR BE GIVEN A BINDING COMMITMENT SO THAT WORK CAN START IMMEDIATELY AND NEGOTIATING A DEFINITIVE CONTRACT IS NOT POSSIBLE IN SUFFICIENT TIME TO MEET THE REQUIREMENT. HOWEVER, A LETTER CONTRACT SHOULD BE AS COMPLETE AND DEFINITE AS FEASIBLE UNDER THE CIRCUMSTANCES. WHEN A LETTER CONTRACT IS BASED ON PRICE COMPETITION, IT INCLUDES AN OVERALL PRICE CEILING.

U.S. Government. Federal Acquisition Regulation.
Washington: Government Printing Office, 1 April 1984.

- A WRITTEN PRELIMINARY CONTRACTUAL INSTRUMENT THAT AUTHORIZES THE IMMEDIATE COMMENCEMENT OF ACTIVITY UNDER ITS TERMS AND CONDITIONS, PENDING DEFINITION OF A FIXED-PRICE OR COST-REIMBURSEMENT PRICING ARRANGEMENT FOR THE WORK TO BE DONE. MUST SPECIFY THE MAXIMUM LIABILITY OF THE GOVERNMENT AND BE SUPERSEDED BY A DEFINITIVE CONTRACT WITHIN A SPECIFIED TIME. NOT TO BE USED EXCEPT WHEN A WRITTEN DETERMINATION IS MADE THAT NO OTHER TYPE OF CONTRACT IS SUITABLE.

Department of Defense. Armed Services Pricing Manual.
ASPM No. 1. Washington: Government Printing Office,
1986.

- A WRITTEN PRELIMINARY DOCUMENT IN LETTER FORM WHICH AUTHORIZES IMMEDIATE COMMENCEMENT OF MANUFACTURE OF SUPPLIES, OR PERFORMANCE OF SERVICES, INCLUDING, BUT NOT LIMITED TO, PREPRODUCTION PLANNING AND THE PROCUREMENT OF NECESSARY MATERIALS. USED WHEN THE NEGOTIATION OF A DEFINITIZED CONTRACT IS NOT POSSIBLE BECAUSE OF INSUFFICIENT PREPARATION TIME AND WHERE SPECIFICATIONS, THE STATEMENT OF WORK, CLAUSES, AND COST DATA CANNOT BE ORGANIZED, PREPARED OR PROPERLY SUPPORTED PRIOR TO THE AUTHORIZATION TO PROCEED AND WHERE TIME IS OF THE ESSENCE IN PERMITTING THE CONTRACTOR TO COMMENCE PERFORMANCE. FORMERLY CALLED A "LETTER OF INTENT". THE CONTRACT TERMS AND CONDITIONS MUST LATER BE NEGOTIATED (DEFINITIZED) IN GOOD FAITH BETWEEN THE PARTIES.

Gibson, Gaynor A. Dictionary of Procurement Terms, (1961).

MANUFACTURING RESOURCE PLANNING

- A PRODUCTION PLANNING AND CONTROL SYSTEM USED TO SCHEDULE PRODUCTION JOBS, PURCHASE MATERIALS, CHECK CAPACITY REQUIREMENTS, AND FORECAST PRODUCT DEMANDS.

Turban, Efraim and Jack R. Meredith. Fundamentals of Management Science (Fourth Edition). Plano TX: Business Publications, Inc., 1988.

MARKET SURVEY

- AN ATTEMPT TO ASCERTAIN WHETHER QUALIFIED SOURCES CAPABLE OF SATISFYING THE GOVERNMENT'S REQUIREMENT EXIST. THIS TESTING OF THE MARKETPLACE MAY RANGE FROM WRITTEN OR TELEPHONE CONTACTS WITH KNOWLEDGEABLE EXPERTS REGARDING SIMILAR REQUIREMENTS AND TO OTHER SOURCES, E.G., TECHNICAL/SCIENTIFIC JOURNALS, COMMERCE BUSINESS DAILY, OR SOLICITATIONS FOR INFORMATION OR PLANNING PURPOSES.

Lehmann, Brent D. et al. Dictionary of Purchasing Terms (Fourth Edition). Falls Church, VA: The National Institute of Governmental Purchasing Inc., 1986.

- REFERS TO ATTEMPTS TO ASCERTAIN WHETHER OTHER QUALIFIED SOURCES CAPABLE OF SATISFYING THE GOVERNMENT'S REQUIREMENT EXIST. THIS TESTING OF THE MARKETPLACE MAY RANGE FROM WRITTEN OR TELEPHONE CONTACT WITH KNOWLEDGABLE FEDERAL AND NONFEDERAL EXPERTS REGARDING SIMILAR OR DUPLICATE REQUIREMENTS AND THE RESULTS OF ANY MARKET TEST RECENTLY UNDERTAKEN, TO THE MORE FORMAL SOURCES-SOUGHT ANNOUNCEMENTS IN PERTINENT PUBLICATIONS OR SOLICITATIONS FOR INFORMATION OR PLANNING PURPOSES.
OR PRODUCT.

Department of Defense. Armed Services Pricing Manual. ASPM No. 1. Washington: Government Printing Office, 1986.

U.S. Government. Federal Acquisition Regulation. Washington: Government Printing Office, 1 April 1984.

NON-DEVELOPMENTAL ITEM

- A GENERIC TERM DESCRIBING EITHER A COMMERCIAL PRODUCT OR AN ITEM WHICH HAS BEEN DEVELOPED AND USED BY ANOTHER SERVICE, COUNTRY, OR GOVERNMENT AGENCY.

Jones, Wilbur D. et al. Glossary: Acquisition Management Acronyms and Terms. Fort Belvoir VA: Department of Defense Systems Management College, 1985.

PRUDENT BUSINESS-MAN CONCEPT

- (PRUDENCE) CAREFULNESS, PRECAUTION, ATTENTIVENESS AND GOOD JUDGMENT AS APPLIED TO ACTION OR CONDUCT. THAT DEGREE OF CARE REQUIRED BY THE EXIGENCIES OR CIRCUMSTANCES UNDER WHICH IT IS TO BE EXERCISED. THIS TERM, IN THE LANGUAGE OF THE LAW, IS COMMONLY ASSOCIATED WITH "CARE" AND "DILIGENCE" AND CONTRASTED WITH "NEGLIGENCE".

Black's Law Dictionary with Pronunciations (Fifth Edition). St. Paul MN: West Publishing Company, 1979.

REQUEST FOR PROPOSAL

- THE SOLICITED CONTRACT BETWEEN THE AIR FORCE AND THE CONTRACTOR ON A CONTEMPLATED PROCUREMENT. IT IS THE MEDIUM BY WHICH A CONTRACTOR IS INTRODUCED TO THE JOB DESIRED BY CONVEYING A COMPLETE UNDERSTANDING OF THE WORK TO BE PERFORMED AND TO DETERMINE THE CAPABILITY AND PRICE OF THE CONTRACTOR'S EFFORTS. RFP'S CONTAIN LANGUAGE, TERMS, AND CONDITIONS NECESSARY TO OBTAIN INFORMATION FROM PROSPECTIVE BIDDERS. (AFSCM 27-1)

Compendium of Authenticated Systems and Logistics Terms. Definitions, and Acronyms. Air Force Institute of Technology (AU), Wright-Patterson FB OH (AD-

- A SOLICITATION DOCUMENT USED IN NEGOTIATED PROCUREMENTS. IT USUALLY CONTAINS A DESCRIPTION OF THE ITEMS OR SERVICES TO BE PROCURED, THE TERMS AND CONDITIONS, TYPES OF CONTRACTS, SCHEDULES, WORK STATEMENT, SPECIFICATIONS, LISTING OF THE ITEMS TO BE DELIVERED, FUNDING, DATA REQUIREMENTS, AND INSTRUCTIONS FOR THE PREPARATION OF TECHNICAL MANAGEMENT AND COST PROPOSALS.

"National Estimating Society Dictionary Dictionary,"
Journal of National Estimating Society - Special
Edition, 3: 1-122 (Summer 1982).

- A REQUEST FOR AN OFFER, BY ONE PARTY TO ANOTHER, OF TERMS AND CONDITIONS WITH REFERENCE TO SOME WORK OR UNDERTAKING.

Lehmann, Brent D. et al. Dictionary of Purchasing Terms (Fourth Edition). Falls Church, VA: The National Institute of Governmental Purchasing Inc., 1986.

- SOLICITATION DOCUMENT USED IN NEGOTIATED PROCUREMENT WHEN THE GOVERNMENT RESERVES THE RIGHT TO AWARD WITHOUT FURTHER ORAL OR WRITTEN NEGOTIATION. ONLY THE ACCEPTANCE OF THE GOVERNMENT IS REQUIRED TO CREATE A BINDING CONTRACT. OF COURSE, THE GOVERNMENT CAN CHOOSE TO NEGOTIATE FURTHER AT ITS OPTION.

Jones, Wilbur D. et al. Glossary: Acquisition Management Acronyms and Terms. Fort Belvoir VA: Department of Defense Systems Management College, 1985.

- A SOLICITATION TO COMMUNICATE GOVERNMENT REQUIREMENTS TO CONTRACTORS AND TO SOLICIT A PROPOSAL FROM THEM. A PROPOSAL SO RECEIVED IS AN OFFER THAT CAN BE ACCEPTED BY THE GOVERNMENT TO CREATE A BINDING CONTRACT, WITH OR WITHOUT NEGOTIATIONS.

- A SOLICITATION DOCUMENT USED IN NEGOTIATED PROCUREMENTS. WHEN AN RFP SO STATES, THE GOVERNMENT RESERVES THE RIGHT TO AWARD A CONTRACT BASED ON INITIAL OFFERS RECEIVED WITHOUT ANY WRITTEN OR ORAL DISCUSSION WITH OFFERORS.

Braden, Captain William K. AFIT Training Manual Definitions. Air Force Institute of Technology (AU), Wright-Patterson AFB OH, March 1989.

- A SOLICITATION DOCUMENT USED IN OTHER THAN SEALED BID PROCUREMENTS. WHEN AN RFP SO STATES, THE GOVERNMENT RESERVES THE RIGHT TO AWARD A CONTRACT BASED ON INITIAL OFFERS RECEIVED WITHOUT ANY WRITTEN OR ORAL DISCUSSION WITH OFFERORS.

Department of Defense. Armed Services Pricing Manual. ASPM No. 1. Washington: Government Printing Office, 1986.

REQUEST FOR QUOTATION

- A SOLICITATION DOCUMENT USED IN NEGOTIATED PROCUREMENTS. SIMILAR IN USAGE TO AN RFP. HOWEVER, USUALLY ONLY COVERS THE PROCUREMENT OF STANDARD OFF THE SHELF ITEMS BUILT TO KNOWN SPECIFICATIONS AND NOT REQUIRING EXTENSIVE PROPOSAL DOCUMENTATION.

"National Estimating Society Dictionary Dictionary," Journal of National Estimating Society - Special Edition, 3: 1-122 (Summer 1982).

- A FORM OF INFORMAL SOLICITATION, INCLUDING OBTAINING ORAL OR WRITTEN QUOTES FROM VENDORS, WITHOUT FORMAL ADVERTISING AND RECEIPT OF SEALED BIDS. NORMALLY USED FOR PURCHASES WHERE STATUTES DO NOT REQUIRE FORMAL SEALED BIDS AND IT IS CONSIDERED GOOD BUSINESS PRACTICE TO ESTABLISH PRICE COMPETITION.

Lehmann, Brent D. et al. Dictionary of Purchasing Terms (Fourth Edition). Falls Church, VA: The National Institute of Governmental Purchasing Inc., 1986.

- THE SOLICITATION FORM USED IN NEGOTIATED PROCUREMENT V EN AWARD WILL BE MADE AFTER NEGOTIATION WITH THE OFFEROR. SINCE THE PROSPECTIVE CONTRACTOR'S QUOTAITON IS NOT A FORMAL OFFER, GOVERNMENT AND CONTRACTOR MUST REACH A BILATERAL NEGOTIATED AGREEMENT BEFORE A BINDING CONTRACT EXISTS.

Jones, Wilbur D. et al. Glossary: Acquisition Management Acronyms and Terms. Fort Belvoir VA: Department of Defense Systems Management College, 1985.

- A SOLICITATION TO COMMUNICATE GOVERNMENT REQUIREMENTS TO CONTRACTORS AND TO SOLICIT A QUOTATION FROM THEM. A QUOTATION SO RECEIVED IS NOT AN OFFER AND CANNOT BE ACCEPTED BY THE GOVERNMENT TO CREATE A BINDING CONTRACT. IT IS INFORMATIONAL IN CHARACTER.

- A SOLICITATION DOCUMENT USED IN NEGOTIATED PROCUREMENTS. AN RFQ IS A REQUEST FOR INFORMATION. QUOTES SUBMITTED IN RESPONSE TO IT ARE NOT OFFERS THAT THE GOVERNMENT MAY ACCEPT WITHOUT SOME CONFIRMATION OR DISCUSSION WITH OFFERORS.

- A SOLICITATION DOCUMENT USED IN OTHER THAN SEALED BID PROCUREMENTS. AN RFQ IS A REQUEST FOR INFORMATION. QUOTES SUBMITTED IN RESPONSE TO IT ARE NOT OFFERS THAT THE GOVERNMENT MAY ACCEPT WITHOUT SOME CONFIRMATION OR DISCUSSION WITH OFFERORS.

Braden, Captain William K. AFIT Training Manual Definitions. Air Force Institute of Technology (AU), Wright-Patterson AFB OH, March 1989.

REVERSE ENGINEERING

- EXTRACTING THE HUMAN-READABLE SOURCE CODE IN WHICH A COMPUTER PROGRAM WAS ORIGINALLY WRITTEN FROM THE MACHINE-READABLE, OBJECT-CODE VERSION IN WHICH A PROGRAM IS MARKETING.

Swartz, Herbert "The Case for Reverse Engineering," Business Computer Systems, 3: 23-25 (Dec 1984).

- THE ABILITY TO USE A COMPETITOR'S PRODUCT AS A BENCHMARK FOR MEASURING THE DESIGN EFFICIENCY, MARKETABILITY, AND COST EFFECTIVENESS OF ONE'S OWN PRODUCT. IN THAT CONTEXT, A COMPETITOR'S PRODUCT IS LITERALLY PULLED APART. IT IS ANALYZED FOR PERFORMANCE, COSTED OUT, AND THOROUGHLY EVALUATED AS A PROFIT GENERATOR. THIS DATA BECOMES A BASE - A BENCHMARK - AGAINST WHICH INTERNAL PLANNING AND PRODUCTION EFFORTS ARE MEASURED IN MINUTE DETAIL.

Schmid, Robert E. "Reverse Engineering: A Service Product," Planning Review, 15: 33-35 (Sep/Oct 1987)

SCOPE OF WORK

(See In Scope)

SOURCE SELECTION

- THE PROCESS WHEREIN THE REQUIREMENTS, FACTS, RECOMMENDATIONS, AND GOVERNMENT POLICY RELEVANT TO AN AWARD DECISION IN A COMPETITIVE NEGOTIATED PROCUREMENT OF A SYSTEM, SUBSYSTEM, OR PROJECT ARE EXAMINED AND THE DECISION MADE. (AFR 70-15)

Compendium of Authenticated Systems and Logistics Terms. Definitions, and Acronyms. Air Force Institute of Technology (AU), Wright-Patterson FB OH (AD-

- THE PROCESS WHEREIN HTE REQUIREMENTS, FACTS, RECOMMENDATIONS AND GOVERNMENT POLICY RELEVANT TO AN AWARD DECISION IN A COMPETITIVE PROCUREMENT OF A SYSTEM/PROJECT ARE EXAMINED AND THE DECISION MADE.

Jones, Wilbur D. et al. Glossary: Acquisition Management Acronyms and Terms. Fort Belvoir VA: Department of Defense Systems Management College, 1985.

- THE FORMAL PROCUREMENT PROCESS USED WITHIN DOD OR A COMPANY TO: (A) CALL FOR PROPOSALS; (B) EVALUATE PROPOSALS; (C) PASS RECOMMENDATIONS TO HIGHER AUTHORITY; OR (D) FINAL AWARDING OF A CONTRACT BY THE SELECTION AUTHORITY.

"National Estimating Society Dictionary Dictionary," Journal of National Estimating Society - Special Edition, 3: 1-122 (Summer 1982).

STATEMENT OF WORK

- THAT PORTION OF A CONTRACT WHICH DESCRIBES THE ACTUAL WORK TO BE DONE BY MEANS OF SPECIFICATIONS OR OTHER MINIMUM REQUIREMENTS, QUANTITIES, PERFORMANCE DATES, AND A STATEMENT OF THE REQUISITE QUALITY.

Jones, Wilbur D. et al. Glossary: Acquisition Management Acronyms and Terms. Fort Belvoir VA: Department of Defense Systems Management College, 1985.

- A DOCUMENT STATING THE CONFINES OF THE CONTRACTUAL WORK TO BE ACCOMPLISHED. THE PART OF AN RFP OR CONTRACT THAT DEFINES THE WORK WHICH A CUSTOMER WANTS PERFORMED.

"National Estimating Society Dictionary Dictionary," Journal of National Estimating Society - Special Edition, 3: 1-122 (Summer 1982).

- THAT PORTION OF A CONTRACT THAT DESCRIBES THE ACTUAL WORK TO BE DONE BY MEANS OF SPECIFICATIONS OR OTHER MINIMUM REQUIREMENTS, QUANTITIES, PERFORMANCE DATES AND A STATEMENT OF THE REQUISITE QUALITY.

Department of Defense. "Key Acquisition Terms," Defense '88: 33-35 (1988).

TECHNICAL ANALYSIS

- ENGINEERING AND TECHNICAL STUDIES AND ANALYSIS OF A SPECIFIC TASK, SITUATION OR END ITEM.

"National Estimating Society Dictionary Dictionary," Journal of National Estimating Society - Special Edition, 3: 1-122 (Summer 1982).

- AN EVALUATION OF FUNCTIONS THAT CAUSE COSTS TO OCCUR. MAY BE DONE BY ANY ONE, BUT USUALLY BY ENGINEERING AND TECHNICAL PERSONNEL. VITALLY IMPORTANT TO UNDERSTANDING COST PROJECTIONS AS THEY RELATE TO THE JOB TO BE DONE.

Department of Defense. Armed Services Pricing Manual. ASPM No. 1. Washington: Government Printing Office, 1986.

-THE EXAMINATION AND EVALUATION BY PERSONNEL HAVING SPECIALIZED KNOWLEDGE, SKILLS, EXPERIENCE, OR CAPABILITY IN ENGINEERING, SCIENCE, OR MANAGEMENT OF PROPOSED QUANTITIES AND KINDS OF MATERIAL, LABOR, PROCESSES, SPECIAL TOOLING, FACILITIES, AND ASSOCIATED FACTORS SET FORTH IN A PROPOSAL IN ORDER TO DETERMINE AND REPORT ON THE NEED FOR AND REASONABLENESS OF THE PROPOSED RESOURCES ASSUMING REASONABLE ECONOMY AND EFFICIENCY.

U.S. Government. Federal Acquisition Regulation. Washington: Government Printing Office, 1 April 1984.

VALUE ENGINEERING

- AN ORGANIZED EFFORT DIRECTED AT ANALYZING THE FUNCTION OF DOD SYSTEMS, EQUIPMENT, AND SUPPLIES FOR THE PURPOSE OF ACHIEVING THE REQUIRED PERFORMANCE OBJECTIVES AT A COST CONSISTENT WITH PROGRAMMED LIFE-CYCLE USAGE. (AFM 11-1)
- AN ORGANIZED EFFORT AT ANALYZING THE FUNCTION OF AIR FORCE SYSTEMS, SUBSYSTEMS, EQUIPMENT, FACILITIES, PROCEDURES, AND SUPPLIES FOR THE PURPOSE OF ACHIEVING THE REQUIRED FUNCTION AT THE LOWEST TOTAL COST CONSISTENT WITH REQUIREMENTS FOR PERFORMANVE , RELIABILITY, QUALITY, MAINTAINABILITY AND PRODUCIBILITY. (AFSCR 320-1)
- AN OBJECTIVE REVIEW OF AN ITEM OF DESIGN, MANUFACTURE, PROCUREMENT AND INSTALLATION AIMED AT ACHIEVING NECESSARY FUNCTION FOR MINIMUM COST. (BUANDAINST 4858.1)
- IS AN ORGANIZED EFFORT OF INTENSIVE APPRAISAL OF ALL THE ELEMENTS OF DESIGN, MANUFACTURE OR CONSTRUCTION, PROCUREMENT, INSPECTION, INSTALLATION, OPERATION AND MAINTENANCE OF AN ITEM AND ITS COMPONENTS, INCLUDING THE APPLICABLE SPECIFICATIONS AND OPERATIONAL REQUIREMENTS, IN ORDER TO ACHIEVE THE NECESSARY PERFORMANCE, MAINTAINABILITY AND RELIABILITY AT MINIMUM COST. IT IS A PURPOSEFUL, PLANNED APPROACH TO REDUCING COSTS AND MAKING USE OF THE BEST AVAILABLE TOOLS OF SCIENCE, ENGINEERING AND INDUSTRIAL MANAGEMENT. (NAVMAT 48,58.2A)
- VE OPERATIONALLY IMPLIES THE TIMELY APPLICATION OF THE VE DISCIPLINE AND/OR VE CONTRACT CLAUSES. (TERMS SUCH AS VALUE ANALYSIS, VALUE CONTROL, VALUE IMPROVEMENT, AND VALUE MANAGEMENT ARE SYNONYMOUS WITH THE TERM VE. (DOD 5000.1)

Compendium of Authenticated Systems and Logistics Terms. Definitions, and Acronyms. Air Force Institute of Technology (AU), Wright-Patterson FB OH (AD-

- A PROGRAM AND INCENTIVE METHOD OF CONTRACTING WHICH REQUIRES THE CONTRACTOR TO EXAMINE HIS DESIGN, DEVELOPMENT AND PRODUCTION METHODS AND TECHNIQUES AS IT PERTAINS TO END-ITEMS WITH THE PURPOSE OF REDUCING COSTS WITHOUT SACRIFICE OF ESSENTIAL QUALITY, RELIABILITY, MAINTAINABILITY, PERFORMANCE OR MISSION ACCOMPLISHMENT. VALU ENGINEERING CHANGE PROPOSALS ARE SUBMITTED FOR EVALUATION AND IF ACCEPTED BY THE CONTRACTING OFFICER RESULT IN ADDED PROFITS TO THE CONTRACTOR ON THE INSTANT CONTRACT ALSO ON FUTURE CONTRACTS, EVEN IF NOT AWARDED TO HIM. PROVIDED THE IDEAS ARE USED. THE TERM "ROYALTY" IS USED IN THIS CONNECTION.

Gibson, Gaynor A. Dictionary of Procurement Terms, (1961).

- AN ORGANIZED EFFORT CONCERNED WITH THE ELIMINATION OR MODIFICATION OF ANYTHING THAT CONTRIBUTES TO THE COST OF A CONTRACT OR TASK BUT IS NOT NECESSARY FOR NEEDED PERFORMANCE, QUALITY, MAINTAINABILITY, RELIABILITY OR INTERCHANGEABILITY.

Department of Defense. Armed Services Pricing Manual. ASPM No. 1. Washington: Government Printing Office, 1986.

- AN ENGINEERING FUNCTION WHICH EXAMINES PROPOSED DESIGNS, METHODS AND PROCESSES WITH THE OBJECT OF IDENTIFYING LOWER COST TECHNIQUES OR PROCESSES TO PRODUCE THE ITEM MORE ECONOMICALLY WITHOUT SIGNIFICANT LOSS OF PERFORMANCE.

"National Estimating Society Dictionary Dictionary," Journal of National Estimating Society - Special Edition, 3: 1-122 (Summer 1982).

- THE FORMAL TECHNIQUE BY WHICH CONTRACTORS MAY (1) VOLUNTARILY SUGGEST METHODS FOR PERFORMING MORE ECONOMICALLY AND SHARE IN ANY RESULTING SAVINGS OR (2) MAY BE REQUIRED TO ESTABLISH A PROGRAM TO IDENTIFY AND SUBMIT TO THE GOVERNMENT METHODS FOR PERFORMING MORE ECONOMICALLY. VALUE ENGINEERING ATTEMPTS TO ELIMINATE WITHOUT IMPAIRING ESSENTIAL FUNCTIONS OR CHARACTERISTICS, ANYTHING THAT INCREASES ACQUISITION, OPERATION, OR SUPPORT COSTS.

U.S. Government. Federal Acquisition Regulation.
Washington: Government Printing Office, 1 April 1984.

WEIGHTED GUIDELINES

- A GOVERNMENT TECHNIQUE FOR DEVELOPING FEE AND PROFIT NEGOTIATION OBJECTIVES, WITHIN PERCENTAGE RANGES ESTABLISHED BY REGULATION.

Department of Defense. Armed Services Pricing Manual.
ASPM No. 1. Washington: Government Printing Office,
1986.

- A GOVERNMENT TECHNIQUE FOR ESTABLISHING PROFIT OBJECTIVES, NEGOTIATIONS, AND DOCUMENTING THE RESULTS. CONSISTS OF AN ASSIGNED PROFIT RANGE FOR EACH ELEMENT OF COST WITH HIGHER PROFITS FOR MORE SKILLED LABOR ETC., PLUS SPECIAL RECOGNITION FOR RISK ASSUMPTION, PAST PERFORMANCE AND OTHER SELECTED FACTORS.

"National Estimating Society Dictionary Dictionary,"
Journal of National Estimating Society - Special
Edition, 3: 1-122 (Summer 1982).

- A TECHNIQUE THE GOVERNMENT USES TO ENSURE CONSIDERATION OF THE RELATIVE VALUE OF APPROPRIATE PROFIT FACTORS IN ESTABLISHING A PROFIT OBJECTIVE AND CONDUCTING NEGOTIATIONS. ALSO, USED IN DOCUMENTING AND EXPLAINING THE FINAL PRICE AGREEMENT REACHED BETWEEN BUYER AND SELLER.

Department of Defense. Armed Services Pricing Manual.
ASPM No. 1. Washington: Government Printing Office,
1986.

- A DOD METHOD FOR OBTAINING A PROFIT OR FEE OBJECTIVE WITHIN THE PRICE OF A CONTRACT BY ASSIGNING WEIGHTS OR AVERAGES TO CERTAIN SELECTED FACTORS SUCH AS THE CONTRACTOR'S CONTRIBUTION TO TOTAL PERFORMANCE, ASSUMPTION OF CONTRACT RISK, PAST RECORD OF PERFORMANCE, ABILITY TO CORRECTLY ESTIMATE COSTS, DEGREE OF USE OF SMALL BUSINESS AND LABOR SURPLU AREA SUBCONTRACT FIRMS ETC. THE WEIGHTS ARE ASSIGNED A PERSENTAGE, CONVERTED TO DOLLARS, AND AVERAGED TO GIVE AN APPROXIMATE RANGE OF PROFIT OR FEE WITHIN WHICH TO NEGOTIATE A REASONABLE AMOUNT TO BE AWARDED AS AN ELEMENT OF THE FINAL PRICE OF THE CONTRACT. BOTH THE CONTRACTOR AND THE CONTRACTING OFFICER MAY APPLY THIS TECHNIQUE AND THEN BARGAIN THEIR DIFFERENCES IN THEIR CONCLUSIONS DURING NEGOTIATION.

Gibson, Gaynor A. Dictionary of Procurement Terms, (1961).

APPENDIX D: LIST OF FINAL SYNTHESIZED DEFINITIONS

ACQUISITION PLAN: DOCUMENT WHICH FORMALIZES AND STATES THE OVERALL STRATEGY FOR MANAGING THE ACQUISITION OF SPECIFIC ITEMS OR SERVICES BY DOCUMENTING THE REQUIREMENT (ESTIMATES OF COST, RECOMMENDED CONTRACT TYPE, FUNDING PLAN ETC.), RECORDING PROGRAM DECISIONS, PROVIDING ANALYSIS OF TECHNICAL OPTIONS, PLANS FOR OBTAINING COMPETITION, PROCUREMENT TEAM/ORGANIZATION AND, IN THE CASE OF HARDWARE, LIFE CYCLE PLANNING FOR DEVELOPMENT, PROCUREMENT, PRODUCTION, TRAINING AND SUPPORT OF MATERIAL ITEMS.

ALLOWABLE COST: A COST, EITHER DIRECT OR INDIRECT, WHICH, IF IN AGREEMENT WITH PUBLISHED COST PRINCIPLES, MAY BE ALLOCATED AND DEEMED REIMBURSABLE UNDER AN ANTICIPATED OR EXISTING CONTRACT.

ANTONYM: UNALLOWABLE COST

COST OR PRICING DATA: ALL FACTUAL OR VERIFIABLE INFORMATION AS OF THE TIME OF PRICE AGREEMENT THAT PRUDENT BUYERS AND SELLERS WOULD REASONABLY EXPECT TO AFFECT PRICE NEGOTIATIONS.

COMPETITIVE RANGE: THE GROUP OF OFFERORS WHOSE RESPONSES MEET THE REQUIREMENTS OF A SOLICITATION AND HAVE A REASONABLE CHANCE OF BEING SELECTED FOR AWARD AS DETERMINED BY THE BUYER'S EVALUATION OF TECHNICAL, MANAGEMENT, COST/PRICE CONSIDERATIONS AND OTHER STATED SALIENT FACTORS.

DESIGN SPECIFICATION: A DOCUMENT (INCLUDING DRAWINGS) SETTING FORTH THE REQUIRED CHARACTERISTICS OF A PARTICULAR COMPONENT, PART, SUBSYSTEM, SYSTEM OR CONSTRUCTION ITEM.

SYNONYM: DETAILED SPECIFICATION

ANTONYM: PERFORMANCE OR FUNCTIONAL SPECIFICATION

EFFECTIVE COMPETITION: A MARKET CONDITION WHICH EXISTS WHEN TWO OR MORE RESPONSIBLE OFFERORS ACTING INDEPENDENTLY CONTEND FOR A CONTRACT WHICH RESULTS IN THE BUYER RECEIVING EITHER (1) THE LOWEST COST OR PRICE ALTERNATIVE OR (2) THE OPTIMAL COMBINATION OF TECHNICAL DESIGN COUPLED WITH A COST EFFECTIVE PRICE.

FAIR & REASONABLE: A SUBJECTIVE EVALUATION OF WHAT EACH PARTY DEEMS AS EQUITABLE CONSIDERATION IN AREAS SUCH AS TERMS AND CONDITIONS, COST OR PRICE, ASSURED QUALITY AND TIMELINESS OF CONTRACT PERFORMANCE AND/OR ANY OTHER AREAS SUBJECT TO NEGOTIATION.

SYNONYM: EQUITABLE, ACCEPTABLE

ANTONYM: UNREASONABLE

FIRST ARTICLE: A MODEL, UNIT, LOT, OR SAMPLE USED FOR TESTING AND DETERMINING CONFORMANCE TO SPECIFIED CONTRACT REQUIREMENTS BEFORE OR IN THE INITIAL STAGE OF PRODUCTION OF A CONTRACT.

SYNONYMS: INITIAL PRODUCTION SAMPLE, TEST SAMPLE, FIRST LOTS, PILOT MODELS, PILOT LOTS.

FORWARD PRICING: ACTION INVOLVING NEGOTIATIONS AND A RESULTANT AGREEMENT BETWEEN A CONTRACTOR AND THE BUYER TO USE CERTAIN RATES (LABOR, INDIRECT, MATERIALS ETC.) AND/OR INDICES FOR A SPECIFIED FUTURE PERIOD OF TIME IN PRICING CONTRACTS OR CONTRACT MODIFICATIONS.

GOVERNMENT FURNISHED PROPERTY: ITEMS IN THE POSSESSION OF OR ACQUIRED BY THE GOVERNMENT AND SUBSEQUENTLY MADE AVAILABLE TO THE CONTRACTOR TO FULFILL THE REQUIREMENTS OF A CONTRACT.

ANTONYM: CONTRACTOR - FURNISHED PROPERTY

IN SCOPE: PHRASE USED TO DENOTE THAT AN ACTION PERFORMED OR REQUESTED TO BE PERFORMED BY A CONTRACTOR FOR THE BUYER COULD REASONABLY BE CONSIDERED TO BE WITHIN THE REQUIREMENTS OF THE CONTRACT.

ANTONYM: OUT OF SCOPE

LETTER CONTRACT: A CONTRACTUAL INSTRUMENT, HISTORICALLY IN LETTER FORM, THAT AUTHORIZES THE CONTRACTOR TO COMMENCE WORK, INCUR COSTS AND MAKE COMMITMENTS PENDING DEFINITIZATION OF A FIXED-PRICE OR COST-REIMBURSEMENT PRICING ARRANGEMENT FOR THE WORK TO BE DONE. USED WHEN IT IS NOT POSSIBLE TO NEGOTIATE A DEFINITIVE CONTRACT IN SUFFICIENT TIME TO MEET THE PROCUREMENT NEED.

MANUFACTURING RESOURCE PLANNING: A PRODUCTION PLANNING AND CONTROL SYSTEM USED TO SCHEDULE PRODUCTION JOBS, PURCHASE MATERIALS, CHECK CAPACITY REQUIREMENTS, FORECAST PRODUCT DEMANDS, AND REDIRECT MATERIAL SUPPLIES IN THE FACE OF CHANGING SCHEDULES.

SYNONYM: MATERIAL MANAGEMENT AND ACCOUNTING SYSTEM, MATERIAL REQUIREMENTS PLANNING

MARKET SURVEY: PROCESS OF ATTEMPTING TO IDENTIFY QUALIFIED SOURCES WHICH ARE CAPABLE OF SATISFYING THE BUYER'S REQUIREMENT.

NON-DEVELOPMENTAL ITEM: A GENERIC TERM DESCRIBING EITHER A COMMERCIAL PRODUCT OR AN ITEM WHICH HAS BEEN PREVIOUSLY DEVELOPED AND USED BY ANOTHER SERVICE, COUNTRY, OR GOVERNMENT AGENCY.

SYNONYM: OFF-THE SHELF, COMMERCIAL PRODUCT

PRUDENT BUSINESS MAN CONCEPT: PHRASE USED AS A MEASURE OF REASONABLENESS IN ASSESSING AN OFFER OR COUNTER-OFFER OR OTHER ACTION TAKEN UNDER A CONTRACT. RELATED TO MAKING A PROCUREMENT DECISION BASED ON SOUND FIDUCIARY OR BUSINESS PRINCIPLES.

REQUEST FOR PROPOSAL: A DOCUMENT USED IN NEGOTIATED PROCUREMENTS FOR THE PURPOSE OF SOLICITING A PROPOSAL FROM AN OFFEROR WHICH CAN BE USED TO CREATE A BINDING CONTRACT.

REQUEST FOR QUOTATION: A FORM OF SOLICITATION WHICH INCLUDES OBTAINING ORAL OR WRITTEN QUOTES FROM VENDORS, WITHOUT FORMAL ADVERTISING AND RECEIPT OF SEALED BIDS. A REQUEST FOR INFORMATION WHICH DOES NOT DENOTE A BINDING COMMITMENT FROM THE SUBMITTING FIRM.

REVERSE ENGINEERING: PROCESS WHEREBY A PRODUCT IS ANALYZED TO DETERMINE THE COMPOSITION OF ITS VARIOUS DESIGN ELEMENTS FOR THE PURPOSE OF PRODUCING A LIKE PRODUCT OR PERFORMANCE CAPABILITY.

SYNONYM: COPYCAT ENGINEERING

ANTONYM: ORIGINAL DESIGN

SCOPE OF WORK: THE TOTAL EFFORT TO BE PERFORMED BY A CONTRACTOR IN FULFILLMENT OF A CONTRACTUAL REQUIREMENT.

SYNONYM: WORK STATEMENT

SOURCE SELECTION: THE PROCESS WHEREIN THE REQUIREMENTS, FACTS CONCERNING POTENTIAL OFFERS, AND POLICIES APPLICABLE TO A COMPETITIVE AWARD DECISION OF A SYSTEM/PROJECT ARE EXAMINED BY EVALUATORS WHOSE SUBSEQUENT FINDINGS (BASED ON AN INTEGRATED ASSESSMENT) FOR THE FINAL AWARD DECISION ARE THEN FORWARDED TO THE SELECTION AUTHORITY.

STATEMENT OF WORK: THE DOCUMENT WHICH DEFINES AND/OR DESCRIBES THE WORK WHICH THE BUYING ORGANIZATION REQUIRES THE CONTRACTOR TO PERFORM.

SYNONYM: WORK STATEMENT, PURCHASE DESCRIPTION SPECIFICATION

TECHNICAL ANALYSIS: EVALUATION, ORDINARILY CONDUCTED BY ENGINEERING, TECHNICAL OR SPECIALIZED PERSONNEL, OF THE (1) TECHNICAL AND MANAGERIAL QUALIFICATIONS OF A CONTRACTOR TO PERFORM A PARTICULAR CONTRACT REQUIREMENT (2) APPLICABILITY/SUFFICIENCY OF THE TECHNICAL SOLUTION PROPOSED TO FULFILL CONTEMPLATED CONTRACT REQUIREMENTS.

SYNONYM: TECHNICAL EVALUATION

VALUE ENGINEERING: AN ORGANIZED EFFORT CONCERNED WITH THE ELIMINATION OR MODIFICATION OF ANYTHING THAT CONTRIBUTES TO THE ACQUISITION, OPERATION OR SUPPORT COST OF AN ITEM OR TASK BUT WHICH IMPROVES OR MAINTAINS NEEDED PERFORMANCE, QUALITY, MAINTAINABILITY, RELIABILITY OR INTERCHANGEABILITY.

SYNONYM: VALUE ANALYSIS

WEIGHTED GUIDELINES: A STRUCTURED APPROACH FOR DEVELOPING FEE AND PROFIT NEGOTIATION OBJECTIVES THAT PROVIDES CONSIDERATION OF THE RELATIVE VALUE OF APPROPRIATE COST AND RISK RELATED FACTORS.

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The purpose of this study was to explore the need for a professional dictionary of contracting terminology and to arrive at consensus definitions for 25 selected terms. This was a follow-on effort to an earlier thesis which was conducted at the Naval Postgraduate School in which 28 terms were defined through a literature review and survey procedure. This research effort had two major objectives: (1) Explore the history of the contracting field and how its unique language has evolved. (2) Select 25 terms and precisely relate their meanings within the context of the acquisition field and process.

This study found that the history of contracting shows a steady evolution of increased convolution. It was found that the legislative actions passed by Congress through the years provide an audit trail of a large portion of the vernacular associated with the field. This review reveals a discipline whose scope and complexity has steadily increased. Within this expansion, a contracting "language" has emerged which has, thus far, been defined by ambiguities and incongruities brought about by the continuing expansion and dynamics of the acquisition field.

One way in which to alleviate confusion and misunderstanding is to succinctly define the terms associated with a field and provide a baseline from which individuals can communicate. Twenty-five terms were selected for definition by combining the process of reviewing definitions currently provided in other glossaries and indices with a survey procedure for synthesizing these definitions into precise meanings based on comments furnished by a sample of experts.

Definitions to the terms selected were developed and recommended for inclusion in any future dictionary of contracting terminology. In addition, several recommendations were made for providing the most comprehensive document available for future use by the contracting work force.

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